



Council Offices, Almada Street
Hamilton, ML3 0AA



Monday, 21 October 2024

Dear Member

South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee

The Members listed below are requested to attend a meeting of the above Sub-Committee to be held as follows:-

Date: Tuesday, 29 October 2024
Time: 15:30
Venue: By Microsoft Teams,

The business to be considered at the meeting is listed overleaf.

Yours sincerely

Paul Manning
Chief Executive
South Lanarkshire Council

Jann Gardner
Chief Executive
NHS Lanarkshire

Members
South Lanarkshire Council
Eileen Logan, Margaret B Walker

NHS Lanarkshire
Lesley McDonald, Donald Reid

BUSINESS

1 Declaration of Interests

Item(s) for Consideration

- | | | |
|---|--|---------|
| 2 | External Audit Annual Audit Report 2023/2024 | 3 - 42 |
| | Report dated 9 October 2024 by the Director, Health and Social Care. (Copy attached) | |
| 3 | Audited Annual Accounts 2023/2024 | 43 - 96 |
| | Report dated 9 October 2024 by the Director, Health and Social Care. (Copy attached) | |
-

Urgent Business

- 4 **Any Other Competent Business**
Any other items of business which the Chair decides are competent.

For further information, please contact:-

Clerk Name:	Elizabeth-Anne McGonigle
Clerk Telephone:	07385403101
Clerk Email:	elizabeth-anne.mcgonigle@southlanarkshire.gov.uk

Report

Report to:	South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee
Date of Meeting:	29 October 2024
Report by:	Director, Health and Social Care

Subject:	External Audit Annual Audit Report 2023/2024
----------	---

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise Members of the outcome of the audit by the South Lanarkshire Integration Joint Board's External Auditor, Audit Scotland, within the statutory timescale of 31 October 2024
- ◆ advise that the Auditor has submitted an Annual Audit Report setting out their key findings for the consideration of Members
- ◆ advise Members of the proposed response to the action points as detailed on page 22 of the External Auditor's Annual Audit Report attached at Appendix 2

2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee is asked to approve the following recommendation(s):-

- (1) that the receipt of the unqualified audit certificate in respect of the Integration Joint Board's Annual Accounts 2023/2024 be noted;
- (2) that the External Auditor's Annual Audit Report 2023/2024 is considered in advance of the statutory timescale of 31 October 2024 for the approval of the Integration Joint Board's Annual Accounts 2023/2024; and
- (3) that the proposed response to the action plan which is detailed on page 22 of the External Auditor's Annual Audit Report attached at Appendix 2, be approved.

3. Background

3.1. Following the publication of the Local Authority Accounts (Scotland) Regulations 2014, the Members of the Integration Joint Board (IJB) have to meet to consider whether to approve the audited Annual Accounts for signature no later than 31 October 2024.

3.2. On 8 December 2020, the IJB delegated to the Performance and Audit Sub-Committee (PASC) the power to receive any certified abstract of the IJB Annual Accounts, effective for the financial year 2020/2021 and each year thereafter.

3. Background (Cont.)

- 3.3. The IJB's appointed External Auditor, Audit Scotland, is required to supply an audit certificate outlining the findings of the audit process undertaken in relation to the IJB's Annual Accounts 2023/2024. The Members are required to have regard to any report made or advice provided on the annual accounts by the External Auditor.

4. External Audit Annual Audit Report 2023/2024

- 4.1. The External Auditor's findings are detailed in the letter from the Audit Director of Audit Scotland, John Boyd, which is attached at Appendix 1, and the External Audit Annual Audit Report 2023/2024, which is attached at Appendix 2.
- 4.2. The External Auditor has concluded that the financial statements of the South Lanarkshire IJB for 2023/2024 give a true and fair view of the state of affairs and of its net expenditure for the year and have therefore issued an unqualified Independent Auditor's Report.
- 4.3. The action plan on page 22 of the External Audit Annual Audit Report 2023/2024, which is attached at Appendix 2, has been agreed by the Chief Officer and the Chief Financial Officer.

5. Employee Implications

- 5.1. There are no employee implications associated with this report.

6. Financial Implications

- 6.1. There are no financial implications associated with this report.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

8. Other Implications

- 8.1. This report relates to all national outcomes as effective governance arrangements will ensure that the IJB can fulfil its statutory duties. The contents of this report are material to the delivery of the IJB Strategic Commissioning Plan 2022 - 2025, notably the following outcome:-

- ◆ Resources are used effectively and efficiently in the provision of health and social care services (Outcome 9).

- 8.2. Risk management arrangements are in place for the IJB and each partner. The main risk associated with the IJB Annual Accounts is a qualified Audit Report. This risk has been assessed as low due to the detailed preparation in relation to the year-end process and technical training undertaken by key finance staff. The finance staff across the partners co-operated to achieve key deadlines.

- 8.3. There are no other issues associated with this report.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 9.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Professor Soumen Sengupta
Director, Health and Social Care

9 October 2024

Previous References

- ◆ IJB 25 June 2024 Integration Joint Board Annual Accounts 2023/2024 Unaudited

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Marie Moy, Chief Financial Officer

Ext: 3709 (Phone: 01698 453709)

Email: marie.moy@southlanarkshire.gov.uk

29 October 2024

SOUTH LANARKSHIRE INTEGRATION JOINT BOARD

Audit of 2023/24 annual accounts

Independent auditor's report

1. My audit work on the 2023/24 annual accounts is now complete. Subject to receipt of a revised set of annual accounts for final review, I anticipate being able to issue unmodified audit opinions in the independent auditor's report following approval of the annual accounts by the Performance & Audit Sub-Committee on 29 October 2024 (the proposed report is attached at [Appendix A](#)).

Annual Audit Report

2. Under International Standards on Auditing in the UK, I report specific matters arising from the audit of the annual accounts to those charged with governance of South Lanarkshire IJB in sufficient time to enable appropriate action. For South Lanarkshire IJB, those charged with governance is the Performance & Audit Sub-Committee. I present for the sub-committee's consideration my draft Annual Audit Report on the 2023/24 audit. The section headed "Significant findings and key audit matters" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions on the wider scope areas that frame public audit as set out in the Code of Audit Practice.

4. This report will be issued in final form after the audit of the annual accounts has been completed.

Unadjusted misstatements

5. I also report to those charged with governance all unadjusted misstatements in the annual accounts which I have identified during the course of my audit, other than those of a trivial nature, and request that these misstatements be corrected.

6. I have no unadjusted misstatements to be corrected.

Fraud, subsequent events, and compliance with laws and regulations

7. In presenting this report to the IJB I seek confirmation from those charged with governance of any instances of any actual, suspected, or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting South Lanarkshire IJB that should be brought to my attention.

Representations from Section 95 Officer

8. As part of the completion of our audit, I am seeking written representations from the Chief Financial Officer, who is the Section 95 Officer, on aspects of the annual accounts, including the judgements and estimates made.

9. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to me by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

A handwritten signature in black ink, appearing to be 'John Boyd', written over a light blue horizontal line.

John Boyd CPFA
Audit Director
Audit Scotland
4th Floor, The Athenaeum Building
8 Nelson Mandela Place
Glasgow, G2 1BT

Appendix A: Proposed Independent Auditor's Report

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of South Lanarkshire 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 my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the South Lanarkshire Integration Joint Board 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

I conducted my 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. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the South Lanarkshire Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the South Lanarkshire Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I 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 I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the South

Lanarkshire Integration Joint Board'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 South Lanarkshire Integration Joint Board's current or future financial sustainability. However, I report on the South Lanarkshire Integration Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Financial Officer and South Lanarkshire Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Financial 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 Financial 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 Financial Officer is responsible for assessing the South Lanarkshire Integration Joint Board'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 South Lanarkshire Integration Joint Board's operations.

The Performance and Audit Sub-Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My 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 my 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. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my 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 South Lanarkshire Integration Joint Board;
- inquiring of the Chief Financial Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the South Lanarkshire Integration Joint Board;

- inquiring of the Chief Financial Officer concerning the South Lanarkshire Integration Joint Board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my 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 my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the South Lanarkshire Integration Joint Board'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 my auditor's report.

Reporting on other requirements

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

I have audited the parts of the Remuneration Report described as audited. In my 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 Financial 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 part of the Remuneration Report.

My 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 my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I 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 my 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 I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my 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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Boyd FCPFA
Audit Scotland
8 Nelson Mandela Place
Glasgow
G1 2BT

Appendix B: Letter of Representation (ISA 580)

John Boyd, Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear John

South Lanarkshire Integration Joint Board Annual Accounts 2023/24

1. This representation letter is provided in connection with your audit of the annual accounts of South Lanarkshire Integration Joint Board for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view and have been properly prepared, and for expressing other opinions on the Remuneration Report, Management Commentary, and Annual Governance Statement.

2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Joint Board, South Lanarkshire Council and NHS Lanarkshire, the following representations given to you in connection with your audit of South Lanarkshire Integration Joint Board's annual accounts for the year ended 31 March 2024.

General

3. South Lanarkshire Integration Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2023/24 annual accounts. All the accounting records, documentation, and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by South Lanarkshire Integration Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.

4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (2023/24 accounting code), mandatory guidance from LASAAC, and the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003, and The Local Authority Accounts (Scotland) Regulations 2014.

6. In accordance with the 2014 Regulations, I have ensured that the financial statements give a true and fair view of the financial position of the South Lanarkshire Integration Joint Board at 31 March 2024 and the transactions for 2023/24.

Accounting Policies and Estimates

7. All material accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2023/24 accounting code, where applicable. Where the accounting code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to South Lanarkshire Integration Joint Board circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed South Lanarkshire Integration Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on South Lanarkshire Integration Joint Board's ability to continue to adopt the going concern basis of accounting.

Liabilities

10. All liabilities at 31 March 2024 of which I am aware have been reported in the financial statements.

11. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Fraud

12. I understand my responsibilities for the design, implementation, and maintenance of internal control to prevent fraud and I believe I have appropriately fulfilled those responsibilities.

13. I have provided you with all information in relation to

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud,
- any allegations of fraud or suspected fraud affecting the financial statements, and
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

14. 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 financial statements.

Related Party Transactions

15. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2023/24 accounting code. I have made available to you the identity of all the South Lanarkshire Integration Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

16. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

Management Commentary

17. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

18. I confirm that the South Lanarkshire Integration Joint Board has undertaken a review of the system of internal control during 2023/24 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

19. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2024, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

20. All events subsequent to 31 March 2024 for which the 2023/24 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Marie Moy
Chief Financial Officer

South Lanarkshire Integration Joint Board

2023/24 Annual Audit Report – DRAFT



 AUDIT SCOTLAND

Prepared for South Lanarkshire Integration Joint Board and the Controller of Audit
October 2024

Contents

Key messages	3
Introduction	5
1. Audit of 2023/24 annual accounts	7
2. Financial management	12
3. Financial sustainability	15
4. Vision, leadership, and governance	18
5. Use of resources to improve outcomes	19
Appendix 1. Action plan 2023/24	22

Key messages

2023/24 annual accounts

- 1 Audit opinions on the annual accounts of the South Lanarkshire Integration Joint Board (the 'IJB') are unmodified i.e. the financial statements and related reports are free from material misstatement.
- 2 One adjustment has been made to the primary financial statements during the course of the audit to correctly reflect the net expenditure recorded in the IJB accounts and to remove the gross income transactions.

Financial management

- 3 The IJB has appropriate and effective financial management arrangements in place. The IJB reported a deficit on the provision of services of £9.105 million in 2023/24. The outturn position includes the use of £15.855 million of reserves in year. The underlying operational performance was an underspend of £6.750 million.
- 4 The IJB's underlying financial position is reflected in the movement in General Fund Reserves. During 2023/24 General Fund Reserves decreased by £9.105 million to £28.835 million. This was £6.750 million less than planned due to the underspend in operational performance.

Financial Sustainability

- 5 The IJB has a medium-term plan in place which reflects the financial challenges and uncertainty facing the organisation. The IJB has forecast a budget gap of £74.153 million over the period 2024/25 to 2027/28.
- 6 While the IJB has developed plans to address financial challenges over the medium term, a longer term financial strategy should be developed to demonstrate the IJB's longer-term financial sustainability and resilience.

Vision, leadership, and governance

- 7 Governance arrangements are appropriate and operated effectively. There is effective scrutiny, challenge and informed decision making.
- 8 The Integration Scheme was updated in March 2024.

Use of resources to improve outcomes

- 9** The 2023/24 Draft Annual Performance Report (APR) was approved on 24 September 2024. Regular performance reports are submitted to the IJB and the Performance and Audit Sub-Committee (PASC). Performance during 2023/24 has been mixed.
- 10** South Lanarkshire IJB has appropriate arrangements in place for securing Best Value.

Introduction

1. This report summarises the findings from the 2023/24 annual audit of South Lanarkshire IJB (the 'IJB'). The scope of the audit was set out in an Annual Audit Plan presented to the 20 February 2024 meeting of the PASC. This Annual Audit Report comprises:

- significant matters arising from an audit of South Lanarkshire IJB's annual accounts
- conclusions on the following wider scope areas that frame public audit as set out in the [*Code of Audit Practice 2021*](#):
 - Financial Management
 - Financial Sustainability
 - Vision, Leadership, and Governance
 - Use of Resources to Improve Outcomes.
- conclusions on South Lanarkshire IJB's arrangements for meeting its Best Value duties.

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

Audit appointment

3. I, John Boyd, have been appointed by the Accounts Commission as auditor of South Lanarkshire IJB for the period from 2022/23 until 2026/27.

4. My team and I would like to thank board members, senior management, and in particular those staff involved in the preparation of the annual accounts for their cooperation and assistance in this year and we look forward to working together constructively over the course of the remainder of the five-year appointment.

Responsibilities and reporting

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

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

7. Weaknesses or risks identified are only those which have come to my attention during my team's normal audit work and may not be all that exist. Communicating these does not absolve management of South Lanarkshire IJB from its responsibility to address the issues raised and to maintain adequate systems of control.

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

Auditor Independence

9. I can confirm that my team and I comply with the Financial Reporting Council's Ethical Standard. I can also confirm that my team and I have not undertaken any non-audit related services and therefore the 2023/24 audit fee of £33,360 as set out in the 2023/24 Annual Audit Plan remains unchanged. I am not aware of any relationships that could compromise our objectivity and independence.

10. The annual audit adds value to South Lanarkshire IJB by:

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

1. Audit of 2023/24 annual accounts

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

Main judgements

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

One adjustment has been made to the primary financial statements during the course of the audit to correctly reflect the net expenditure recorded in the IJB accounts and to remove the gross income transactions.

Audit opinions on the annual accounts are unmodified

11. PASC approved the annual accounts for South Lanarkshire IJB for the year ended 31 March 2024 on 29 October 2024. As reported in the independent auditor's report, in my opinion as the appointed auditor:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the Remuneration Report was prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014
- the Management Commentary and Annual Governance Statement were consistent with the financial statements and properly prepared in accordance with the applicable requirements.

Overall materiality was assessed on receipt of the annual accounts as £14.6 million

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

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

Exhibit 1

Materiality values

Materiality level	Amount
Overall materiality	£14.600 million
Performance materiality	£10.950 million
Reporting threshold	£0.730 million

Source: Audit Scotland

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

15. Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 75% of overall materiality, reflecting a history of minimal errors and no significant issues noted during planning or from the previous audit team.

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

Significant findings and key audit matters

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

18. The Code of Audit Practice also requires me to highlight key audit matters, which are defined in ISA (UK) 701 as those judged to be of most significance.

19. The significant findings are summarised in [Exhibit 2](#).

Exhibit 2

Significant findings and key audit matters from the audit of the annual accounts

Issue	Resolution
<p>1. Incorrect recognition of income and expenditure transactions undertaken by South Lanarkshire Council</p> <p>In the delivery of services, South Lanarkshire Council recognises income from charges to customers and HRA funding. In the unaudited IJB accounts, the IJB had recognised these as income (£11.008 million) and corresponding commissioning expenditure with the Council. The transactions are those undertaken by South Lanarkshire Council in the operational delivery of services and not transactions applicable to the IJB and therefore should not be included in the IJB accounts.</p>	<p>Officers have updated the accounts to appropriately remove the income of £11.008 million and corresponding expenditure of £11.008 million from the financial statements to ensure that these are free from material misstatement.</p> <p>The IJB should ensure that in preparing future annual accounts, both the financial and non-financial information reflects the strategic commissioning role of the IJB. While the operational delivery of services through the health and social care partnership are relevant to the organisation, it is important that the accounts appropriately balance this with the core focus and purpose of the IJB.</p> <p><u>Recommendation 1</u></p> <p>(Refer Appendix 1, action plan)</p>

Source: Audit Scotland

Audit work responded to the risks of material misstatement identified in the annual accounts

20. My team and I obtained audit assurances over the identified significant risks of material misstatement in the annual accounts. [Exhibit 3](#) sets out the significant risks of material misstatement to the financial statements we identified in the 2023/24 Annual Audit Plan. It also summarises the further audit procedures performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 3

Significant risks of material misstatement in the annual accounts

Audit risk	Assurance procedure	Results and conclusions
<p>Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in ISA (UK) 240, management is in a unique position to perpetrate fraud</p>	<ul style="list-style-type: none"> Agreement of balances and transactions to South Lanarkshire Council and NHS Lanarkshire financial reports / ledger / correspondence. Assurances will be obtained from the auditors of NHS Lanarkshire and South Lanarkshire Council 	<p>Through our performed audit procedures we have not identified any indication of material misstatement in the financial statements through fraud or error caused by management override of controls.</p>

Audit risk	Assurance procedure	Results and conclusions
because of management's ability to override controls that otherwise appear to be operating effectively.	<p>over the completeness, accuracy and allocation of income and expenditure.</p> <ul style="list-style-type: none"> • Review of significant adjustments at year-end where we consider there to be greatest risk of material misstatement through management override of controls. • Review of financial monitoring reports during the year. • Assess the adequacy of controls in place for identifying and disclosing related party relationship and transactions in the financial statements. • Evaluate any significant unusual transactions outside the normal course of business. 	

Source: Audit Scotland

There was one misstatement to the financial statements which has been adjusted for in the final accounts. There were a number of presentational adjustments to the draft financial statements.

21. Other than the corrected material misstatement detailed as a significant finding in [Exhibit 2](#), the audit identified no misstatements above the reporting threshold.

22. The audit team identified a number of presentational misstatements. These have been corrected by the IJB.

Recommendation 1

In the preparation of the annual accounts, the IJB should review the presentation of both financial and non-financial information to ensure this reflects the organisation's role as a strategic commissioning body. While the operational delivery of services is relevant to the IJB it is important that the annual accounts maintain a focus on the strategic role of the IJB.

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

23. The unaudited annual accounts were received in line with the agreed audit timetable on 25 June 2024. The accounts and supporting working papers were of a good quality.

Good progress was made on prior year recommendations

24. The IJB has made good progress in implementing the agreed prior year audit recommendations. Actions taken by officers to resolve prior year recommendations are set out in [Appendix 1](#).

2. Financial management

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

Conclusion

The IJB has appropriate and effective financial management arrangements in place. The IJB reported a deficit on the provision of services of £9.105 million in 2023/24. The outturn position includes the use of £15.855 million of reserves in year. The underlying operational performance was an underspend of £6.750 million.

The IJB's underlying financial position is reflected in the movement in General Fund Reserves. During 2023/24 General Fund Reserves decreased by £9.105 million to £28.835 million. This was £6.750 million less than planned due to the underspend in operational performance.

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

The initial 2023/24 financial plan was updated to reflect changes in planned expenditure and funding

26. The IJB approved its initial 2023/24 financial plan in March 2023 with an identified funding gap of £15.538 million. Proposals to address the funding gap included recurring options of £5.900 million and non-recurring options of £9.638 million. Recurring options included efficiency savings for Prescribing of £2.700 million and non-recurring options included use of reserves of £8.215 million.

27. During 2023/24 the financial plan was regularly updated to reflect changes to planned expenditure and to reflect updated funding levels. The final 2023/24 budget was for £726.821 million, to be met from £525.869 million of funding from NHS Lanarkshire, £185.097 million of funding from South Lanarkshire Council and £15.855 million funding from reserves.

The IJB reported a deficit on provision of services of £9.105 million which included an underspend of £6.750 million against budget

28. The IJB annual accounts show a deficit on the provision of services of £9.105 million. The underlying operational performance was an underspend of £6.750 million. Areas of biggest underspend included Addiction Services (£3.2 million), Hosted Services (£1.5million) and Locality and Other Services (£7.1 million). The biggest area of overspend was Prescribing Costs (£6.7 million).

29. The IJB's underlying financial position is reflected in the movement in General Fund Reserves. During 2023/24 General Fund Reserves decreased by £9.105 million to £28.835 million. This was £6.750 million less than planned due to the underspend in operational performance.

Budget processes and financial monitoring arrangements are appropriate

30. Detailed financial monitoring reports were submitted to the IJB and PASC throughout the year. The year to date position and projected year-end outturn position were clearly stated in these reports. The up to date drawdown on reserves and projected outturn is also included in the reports. There were a number of changes in the year to the underlying budget through additional funding allocations.

South Lanarkshire IJB has appropriate financial control arrangements in place

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

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

The IJB have concluded that they can place a reasonable level of assurance over the adequacy and effectiveness of the partnership's framework of governance, risk management and internal control arrangements for the year ending 31 March 2024.

33. Internal audit provides the IJB with independent assurance on risk management, internal control and corporate governance processes. South Lanarkshire IJB's internal audit function is provided through a joint approach utilising the internal audit functions of NHS Lanarkshire and South Lanarkshire Council. The 2023/24 internal audit plan was agreed by PASC on 21 February 2023 and all internal audit work has been completed.

34. The Internal Audit Annual Assurance Report 2023/24 was submitted to PASC on 28 May 2024. Based on the internal audit work during the year and knowledge of wider governance, risk management and control arrangements the internal audit opinion is that, overall, a reasonable level of assurance can be placed upon the adequacy and effectiveness of the South Lanarkshire IJB's

framework of governance, risk management and control arrangements for the year ending 31 March 2024.

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

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

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

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

3. Financial sustainability

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

Conclusion

The IJB has a medium-term financial plan in place which reflects the financial challenges and uncertainty facing the organisation over the medium term. The IJB has forecast a budget gap of £74.153 million over the period 2024/25 to 2027/28.

While the IJB has developed plans to address financial challenges over the medium term, a longer term financial strategy should be developed to demonstrate the IJB's longer-term financial sustainability and resilience.

Audit work in response to risks relating to financial sustainability identified in the 2023/24 Annual Audit Plan

38. [Exhibit 4](#) sets out the wider scope risks relating to Financial Sustainability identified in the 2023/24 Annual Audit Plan. It summarises the audit procedures performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 4

Risks identified from my wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p>1. Financial sustainability In recent years the IJB has achieved short-term financial balance. However, it continues to be faced with significant financial challenges, and difficult decisions will be required.</p> <p>Work is still required to ensure that there is sustainable financial balance.</p>	<ul style="list-style-type: none"> Review financial monitoring reports to assess the financial position, including progress in realising savings by each partner. Review the controls in place and updates to financial plans to assess the financial sustainability of the Joint Board. Communication and engagement with the partner bodies for financial planning. 	<p>Through its Medium Term Financial Plan and Sustainability and Value Programme the IJB has arrangements in place to manage significant financial challenges over the medium term.</p> <p>These arrangements include</p> <ul style="list-style-type: none"> Identifying/implementing actions to address funding gaps

Audit risk	Assurance procedure	Results and conclusions
	<ul style="list-style-type: none"> Review the decision making for financial sustainability by members of the Joint Board. Ensuring resources are aligned to the strategic priorities of South Lanarkshire IJB. 	<ul style="list-style-type: none"> progressing transformational change and service redesign scenario planning partnership working <p>Conclusion</p> <p>The IJB has a strong focus on financial sustainability over the medium term.</p> <p>It is less clear how the IJB demonstrates financial sustainability and resilience over the longer term.</p> <p>Recommendation 2</p>

The IJB has a medium-term financial plan but is yet to develop a longer-term plan

39. 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.

40. The IJB recognises that it faces significant financial challenges over the coming years. This includes the impact of inflationary pressures on pay and non-pay costs, demographic growth and demand pressures and uncertainty around future funding. The IJB recognises that transformational change is required to allow the IJB to deliver health and social care services in a sustainable way.

41. To help secure recurring financial sustainability over the medium term, the IJB has developed a Sustainability and Value Programme 2025-28 (SAVP) and a Medium Term Financial Plan 2025-28 (MTFP). The IJB has forecast a budget gap of £74.153 million over the period 2024/25 to 2027/28. The IJB has started the development of its 2025-28 Strategic Commissioning Plan to replace the 2022-25 plan.

42. It is important that there is a clear strategic focus to ensure that transformational activity and decision making is taken in the context of the IJB's longer term financial outlook so that health and social care services are financially sustainable over the longer term.

Recommendation 2

While the IJB has developed plans to address financial challenges over the medium term, a longer term financial strategy should be developed to demonstrate the IJB's longer-term financial sustainability and resilience.

43. The IJB reserves strategy is updated annually and is aimed at ensuring funding from reserves is directed to best effect to secure financial sustainability and achieve required outcomes. As at 31 March 2024 reserves stood at £28.835 million (ring-fenced: £18.682 million, voluntary: £10.153 million, contingency: nil).

4. Vision, leadership and governance

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

Conclusion

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

The Integration Scheme was updated in March 2024.

Governance arrangements are effective and appropriate and there is effective scrutiny, challenge and informed decision making

44. The IJB has well established governance arrangements with the IJB supported through the PASC.

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

46. A revised Scheme of Delegation to Officers was approved by the IJB in December 2023.

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

The Integration Scheme was updated in March 2024

48. In March 2024 the Scottish Government approved the updated South Lanarkshire Health and Social Care Integration Scheme. The updated Integration Scheme includes 14 Directions (reduced from 26) which will be kept under review by the IJB as the SAVP is developed. The Integration Scheme has been developed in alignment with the Strategic Commissioning Plan 2022-2025.

5. Use of resources to improve outcomes

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

Conclusion

The 2023/24 Draft Annual Performance Report was approved on 24 September 2024. Regular performance reports are submitted to the IJB and PASC. Performance during 2023/24 has been mixed.

The IJB has appropriate arrangements in place for securing Best Value.

There are regular performance reports submitted to the IJB and PASC

49. Management commentaries included in the annual accounts should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of a body's performance as well as helping stakeholders understand the financial statements. Management are committed to clear and transparent reporting of financial and non-financial information within the management commentary.

50. The IJB has continued to monitor key performance targets throughout the year. Performance monitoring reports are presented to all regular IJB and PASC meetings. The reports include performance against Ministerial Steering Group targets, the 2022-25 Strategic Commissioning Plan priorities and public protection measures. The reports provide both a summary and detailed information on performance, projections and trends.

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

52. The IJB's Draft APR was submitted to the IJB meeting of 24 September 2024 and includes progress against the national health outcomes and financial performance. The Draft APR is aligned to reporting progress against the Strategic Commissioning Plan objectives.

Performance during 2023/24 was mixed

53. The Draft APR and management commentary within the accounts show a mixed performance during 2023/24.

54. Areas of good performance highlighted by the IJB include

- intermediate care service has improved, with the service provided by Blantyre Life care campus identified as a success
- improvements in end of life care delivered as a result of innovative work in communities
- there were 1,398 new carers appointed in 23/24
- there has been a decrease in patients waiting over 12 hours in A&E departments

55. Areas where performance can be improved include

- pre-5 immunisation is currently just above 90%
- while the medication assisted treatment target was achieved at the end of 23/24 a similar level of performance may not be achievable in 2024/25
- reducing patient waiting times and acute hospital occupancy.

The IJB has appropriate arrangements in place for securing Best Value

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

57. The IJB demonstrates best value by ensuring that resources are utilized efficiently and effectively to deliver high-quality services that meet the needs of the community. This is achieved through a commitment to continuous improvement, accountability and transparency in decision-making processes. The partnership adopts a person-centred approach, focusing on integrated outcomes that improve the well-being of individuals and communities.

58. The work that the IJB does in relation to the achievement of best value is outlined in the IJB's Best Value Statement covering the following best value principles:

- Governance and accountability
- Service delivery in line with the Strategic Commissioning Plan (SCP)
- Vision and leadership
- Continuous improvement
- Local accountability
- Openness to challenge and support

- Performance monitoring, continuous improvement and community engagement
- Financial sustainability and effective use of resources
- Reliance on each partner's best value arrangements

Appendix 1. Action plan 2023/24

2023/24 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Presentation of financial and non-financial information in the annual accounts</p> <p>In the unaudited accounts, the Management Commentary and financial statements contained information on the operational activity of the health and social care partnership rather than that of the strategic commissioning activity of the IJB.</p> <p>Risk – There is a risk that the Management Commentary and notes to the accounts do not reflect the functions and activities of the IJB as a strategic commissioning body.</p>	<p>While the 2023/24 annual report and accounts have been updated to reflect the activities of the IJB and ensure they are free from material misstatements, during the production of future accounts, the IJB should review the presentation of both financial and non-financial information to ensure this reflects the organisation's role as a strategic commissioning body.</p> <p>Exhibit 2</p>	<p>Accepted</p> <p>The IJB annual accounts will ensure the financial and non-financial information continues to reflect the role of the IJB as a strategic commissioning body.</p> <p>Responsible officer Chief Financial Officer</p> <p>Agreed date March 2025</p>
<p>2. Longer Term Financial Plan</p> <p>Medium term financial plans have been developed which reflects the financial challenges over the next four years. However, the IJB does not have a longer term financial plan.</p> <p>A longer term plan would set out how the IJB's longer term strategic objectives are underpinned by its finances, including the use of any reserves.</p> <p>Risk – There is a risk that as the IJB faces significant financial and operational challenges and services are transformed, that strategic decisions around these are not aligned to longer term financial plans to support financial sustainability.</p>	<p>The IJB should develop a longer term financial plan to demonstrate the longer term financial sustainability and help support longer term strategic planning and decision making.</p> <p>Paragraph 42</p>	<p>Accepted</p> <p>Recognising the uncertainty nationally in respect of current and future costs and funding, in particular Scottish Government funding allocations, a longer term financial plan will be developed to demonstrate the longer term financial sustainability and to help support longer term strategic planning and decision making.</p> <p>Responsible officer Chief Financial Officer</p> <p>Agreed date March 2025</p>

Follow-up of prior year recommendations

Issue/risk	Recommendation and agreed action	Progress
<p>b/f 1. Financial monitoring</p> <p>The IJB financial plan and performance reports include considerable information including performance against service level spend, use of reserves, and key financial challenges faced. However, financial performance reports could be enhanced to provide greater clarity between expenditure incurred in the delivery of services against overall budget, including where reserves are being used to fund expenditure. This would provide greater consistency between the outturn position reported in budget monitoring reports with the outturn position within the annual accounts.</p> <p>Risk – There is a risk that there is not clear and transparent reporting</p>	<p>Recommendation - The body should review financial monitoring reports to ensure there is clear alignment between total expenditure incurred and service / activity level spend through the accounts. This should include planned spend against reserves to ensure there is transparency over the outturn position.</p> <p>Agreed Action - The IJB financial monitoring reports for the current financial year 2023/2024 have been improved to ensure there is transparency in respect of the impact of reserves funding on the year-to-date position. Action will continue to be taken to develop the financial monitoring reports further to ensure there is alignment between total expenditure incurred and service / activity level spend through the accounts, including transparency over the outturn position.</p> <p>Responsible Officer Chief Financial Officer</p> <p>Timing March 2024</p>	<p>In order to provide greater transparency of the core budgets and non-recurring reserves used to fund actual expenditure incurred in the delivery of services, a table was included in the reserves section of the financial monitoring reports 2023/2024 presented to the PASC and the IJB during 2023/2024.</p> <p>This additional information will continue to be included in future IJB financial monitoring reports to maintain greater consistency and transparency between the financial outturn position reported in financial monitoring reports with the outturn position reported in the annual accounts.</p> <p>Implemented</p>
<p>b/f 2. Cyber security assurances</p> <p>The IJB rely on the cyber security arrangements in place at the key strategic partners. While frontline service delivery is the responsibility of the health board and council, during 2022/23 there was no formal assurance around the adequacy or effectiveness of cyber security arrangements in place.</p> <p>Risk – There is a risk that the IJB does not have sufficient assurance over cyber security arrangements to prevent, detect and manage potential cyber-security threats.</p>	<p>Recommendation - There is an opportunity to enhance the assurances provided to the SLIJB in relation to cyber security risks and arrangements in place at the partner bodies in preventing potential threats to the IJB.</p> <p>Agreed Action - Formal assurances will be obtained from the health board and council partners in respect of the adequacy and effectiveness of the cyber security arrangements in place across the responsibilities delegated to the IJB.</p> <p>Responsible Officer Chief Financial Officer</p> <p>Timing March 2024</p>	<p>The formal assurance arrangements are in place with the NHSL and SLC partners in respect of the adequacy and effectiveness of the cyber security arrangements across the responsibilities delegated to the IJB in 2023/2024.</p> <p>Implemented</p>
<p>b/f 3. Performance reports</p> <p>SLIJB's performance reports align to the MSG Performance measures and are supported with wider updates on performance.</p> <p>However, there is an opportunity for the SLIJB to continue to enhance its performance monitoring arrangements to clearly link the strategic priorities to target outcomes and reflect these</p>	<p>Recommendation - The IJB should clearly define its target performance outcomes and monitor progress against these. Given the financial and operational pressures facing the IJB this will allow the organisation to clearly articulate its priorities and targeted outcomes and the extent to which these are achieved</p> <p>Agreed Action - Given the financial and operational pressures facing the IJB, the performance reports will be</p>	<p>The Performance Monitoring report presented to the PASC on 21 November 2023 had been updated to clearly articulate performance measures that reflect the agreed priorities and targeted outcomes and the extent to which these are achieved.</p> <p>In line with the previous agreement to focus on the top four Strategic Commissioning Plan (SCP) priorities, additional measures are therefore</p>

Issue/risk	Recommendation and agreed action	Progress
<p>through performance monitoring reports.</p> <p>Risk – There is a risk that the IJB’s performance measures do not align to the organisation’s strategic priorities to allow the Board to monitor performance and delivery of these.</p>	<p>further defined to clearly articulate the agreed priorities and targeted outcomes and the extent to which these are achieved.</p> <p>Responsible Officer</p> <p>Head of Commissioning and Performance</p> <p>Timing</p> <p>March 2024</p>	<p>currently being reported which align to the following four priorities:</p> <ul style="list-style-type: none"> ▪ Improving unscheduled care and optimising intermediate care ▪ Greater emphasis on early intervention, prevention and inequalities ▪ Addressing mental health and addictions ▪ Supporting carers <p>This also aligns to how Locality Implementation Plans have been structured. Performance measures will be monitored and adapted to reflect any change in the top strategic priorities being focussed on.</p> <p>Implemented</p>

South Lanarkshire Integration Joint Board

Draft 2023/24 Annual Audit Report

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

www.audit-scotland.gov.uk/accessibility

For the latest news follow us on social media or [subscribe to our email alerts.](#)



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

Report

Report to:	South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee
Date of Meeting:	29 October 2024
Report by:	Director, Health and Social Care

Subject:	Audited Annual Accounts 2023/2024
----------	--

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise members of the requirement to approve the Annual Accounts 2023/2024 for signature

2. Recommendation(s)

2.1. The Performance and Audit Sub-Committee is asked to approve the following recommendation(s):-

- (1) that the Audited Annual Accounts 2023/2024 be approved for signature; and
- (2) that the availability of the signed Audited Annual Accounts 2023/2024 to the general public on the South Lanarkshire Integration Joint Board (IJB) website, be noted.

3. Background

3.1. Following the publication of the Local Authority Accounts (Scotland) Regulations 2014, the members of the IJB have to meet to consider whether to approve the audited Annual Accounts 2022/2023 for signature no later than 31 October 2024.

3.2. On 8 December 2020, the IJB delegated to the Performance and Audit Sub-Committee (PASC) the power to receive any certified abstract of the IJB Annual Accounts, effective for the financial year 2020/2021 and each year thereafter.

4. Annual Accounts 2023/2024

4.1. The Annual Accounts 2023/2024 were prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003. This means that suitable accounting policies were selected and applied consistently, reasonable and prudent judgements were made and proper accounting records were maintained. The preparation of the Annual Accounts 2023/2024 also met the statutory deadlines of 30 June 2024 and 31 October 2024.

4.2. The unsigned Audited Annual Accounts 2023/2024 are attached as an appendix.

4. Annual Accounts 2022/2023 (Cont.)

4.3. The External Auditor has concluded that the financial statements of the South Lanarkshire IJB for 2023/2024 give a true and fair view of the state of affairs and of its net expenditure for the year and have therefore issued an unqualified independent auditor's report. Effective governance and decision-making arrangements were in place during 2023/2024. The IJB has effective financial reporting and budget monitoring arrangements in place and the financial systems of internal control operated effectively. The financial statements for 2023/2024 were properly prepared in accordance with the financial reporting framework.

4.4. The findings of the audit process have also been reported to the IJB and an action plan approved as set out in the External Auditor's Annual Audit Report 2023/2024.

4.5. Once signed, the audited Annual Accounts 2023/2024 will be advertised as being available to the general public on the South Lanarkshire IJB website.

5. Employee Implications

5.1. There are no employee implications associated with this report.

6. Financial Implications

6.1. There are no financial implications associated with this report.

7. Climate Change, Sustainability and Environmental Implications

7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

8. Other Implications

8.1. This report relates to all national outcomes as effective governance arrangements will ensure that the IJB can fulfil its statutory duties. The contents of this report are material to the delivery of the IJB Strategic Commissioning Plan 2022 - 2025, notably the following outcome:-

- ◆ Resources are used effectively and efficiently in the provision of health and social care services (Outcome 9).

8.2. Risk management arrangements are in place for the IJB and each partner. The main risk associated with the IJB Annual Accounts is a qualified audit report. The risk has been assessed as low due to the detailed preparation in relation to the year-end process and technical training undertaken by key finance staff. The finance staff across the partners co-operated to achieve key deadlines.

8.3. There are no other issues associated with this report.

9. Equality Impact Assessment and Consultation Arrangements

9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

9.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

Professor Soumen Sengupta
Director, Health and Social Care

9 October 2024

Previous References

- ◆ IJB 25 June 2024 Integration Joint Board Annual Accounts 2023/2024 Unaudited

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Marie Moy, Chief Financial Officer
Ext: 3709 (Phone: 01698 453709)
Email: marie.moy@southlanarkshire.gov.uk



South Lanarkshire Integration Joint Board
Annual Accounts
2023-2024

Audited



*Working together to improve health and wellbeing
in the community – with the community*

CONTENTS

	Page
Management Commentary	3
Statement of Responsibilities	19
Remuneration Report	20
Annual Governance Statement	23
Comprehensive Income and Expenditure Statement	34
Movement in Reserves Statement	35
Balance Sheet	36
Notes to the Accounts	37
Independent Auditor's Report	47

MANAGEMENT COMMENTARY

Introduction

This management commentary provides an overview of the key outcomes relating to the objectives and strategy of the South Lanarkshire Integration Joint Board (IJB). It considers our financial performance for the year ended 31 March 2024 and provides an indication of the issues and risks which may impact upon our finances in the future. It also highlights the performance outcomes achieved across health and social care services during the year.

The Role and Remit of the IJB

The IJB was established as a body corporate by order of Scottish Ministers in October 2015 with integrated delivery of health and social care services commencing in April 2016. The IJB is a separate legal entity which is responsible for the strategic planning and commissioning of the wide range of health and social care services across South Lanarkshire.

The IJB is made up of eight voting members: four Elected Members appointed by South Lanarkshire Council (SLC) and four Non-Executive Directors appointed by NHS Lanarkshire Health Board (NHSL). Non-voting members of the IJB include the Chief Officer, the Chief Social Work Officer, the Nurse Advisor, the Chief Financial Officer, Registered Medical Practitioners and representatives for staff, the independent sector, third sector, service users and carers.

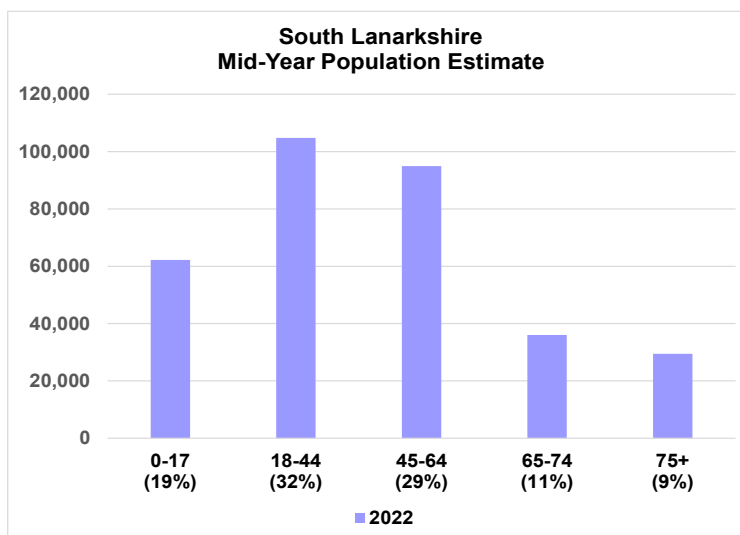
The functions under the Public Bodies (Joint Working) (Scotland) Act 2014 delegated by SLC and NHSL to the IJB are detailed in the Integration Scheme which is available at https://www.southlanarkshire.gov.uk/slhuscp/downloads/file/59/south_lanarkshire_health_and_social_care_integration_scheme. The South Lanarkshire University Health and Social Care Partnership (SLUHSCP) refers to the joint working arrangements between the partners SLC and NHSL. The SLUHSCP is responsible for operational delivery of the IJB’s strategic directions.

On 29 March 2022, the IJB approved the IJB’s Strategic Commissioning Plan 2022-2025 (SCP). Front-line service delivery continues to be carried out by NHSL and SLC through the SLUHSCP across four localities in line with the directions issued by the IJB to each of the partners to achieve safer, healthier, independent lives for the residents of South Lanarkshire. These directions outline what the IJB requires both partners to do, the funding allocated to these functions and the mechanisms through which the performance in delivering the directions will be monitored. Strong financial planning and management, the achievement of best value and the allocation of resources to support sustainable models of service delivery from a whole system perspective continue to underpin everything that the IJB and the partners do. This ensures the resources are targeted to achieve our outcomes to best effect. The IJB Annual Accounts are prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

Profile of South Lanarkshire

The latest population statistics available relate to the mid-year 2022/2023 and are highlighted in the graph.

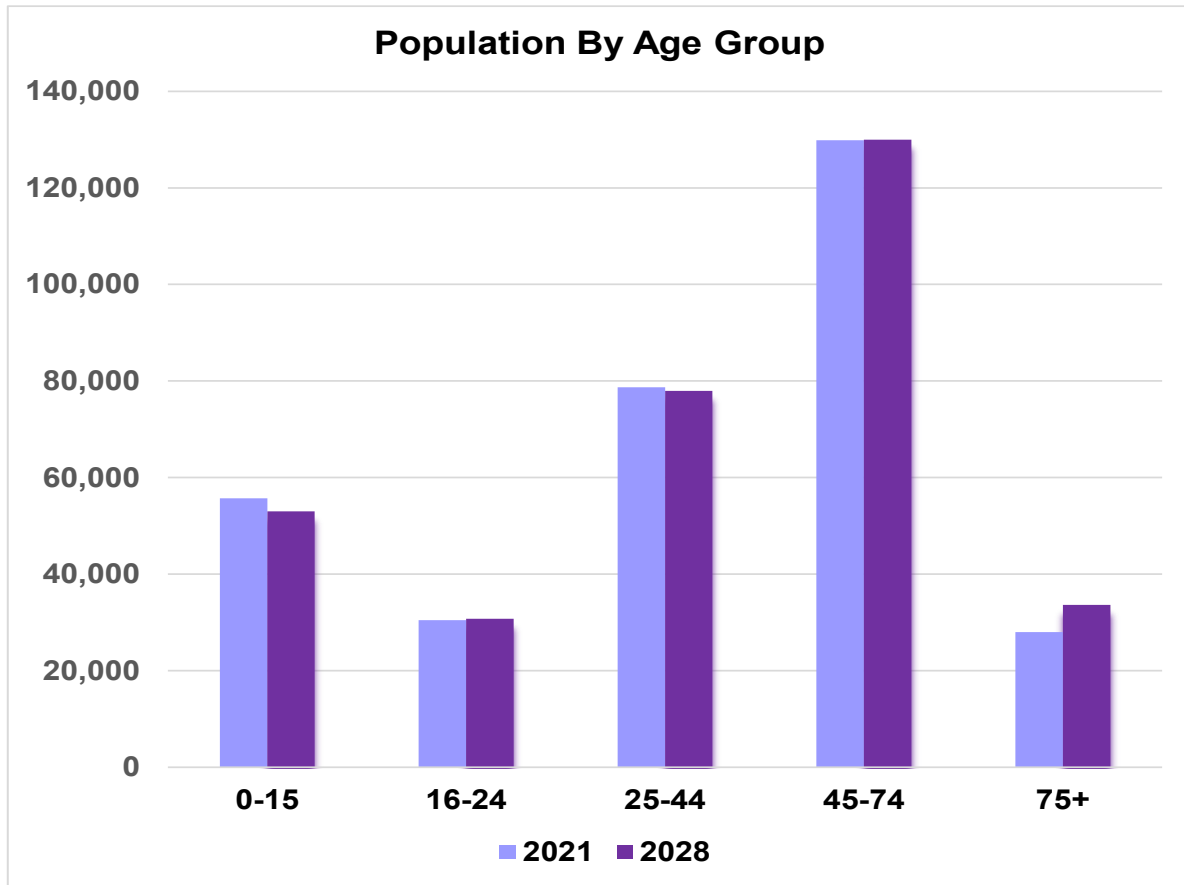
South Lanarkshire had a total population of 327,430 and has the 5th highest population out of the 32 council areas in Scotland. This ranking is expected to continue to 2028.



MANAGEMENT COMMENTARY (CONT.)

Profile of South Lanarkshire (Cont.)

It is projected that the population within South Lanarkshire will rise from 322,630 in 2021 to 325,243 in 2028, an increase of 1%. The projected 2028 figures show the largest decrease of 5% in 0-15 age group and the largest increase of 20% in the 75+ age group.



Source: National Records of Scotland

Of significance, the projected increase in the 75+ population within South Lanarkshire will impact on the demand for health and social care services.

In South Lanarkshire, the current life expectancy for both male and female residents remains lower than the national average.

	South Lanarkshire	Scotland
Female	80.0 years	80.7 years
Male	76.0 years	76.5 years








Source: National Records of Scotland

In 2020/2021, in the SLUHSCP, it is estimated that 22.7% of the population had at least one physical long-term condition. These included cardiovascular, neurodegenerative, and respiratory conditions, as well as other organ conditions (namely liver disease and renal failure), arthritis, cancer, diabetes, and epilepsy. 10.5% of the population of South Lanarkshire have been identified as providing an unpaid caring role. It should be noted that not all carers are known to services. (Source: National Records of Scotland, Census 2011)

MANAGEMENT COMMENTARY (CONT.)

Profile of South Lanarkshire (Cont.)

Based on the most up-to-date information available which related to the previous year 2022/2023, in respect of health care services, the impact of the actions being taken by the IJB to improve performance outcomes across South Lanarkshire is captured in the table below.

	South Lanarkshire		Scotland
Emergency hospital admissions (Per 100,000 population)	11,420		10,367
Unscheduled acute speciality beds (Per 100,000 population)	80,416		77,178
A&E attendances (Per 100,000 population)	32,199		26,382
Delayed discharge bed days (Age over 65; Per 100,000 population)	57,778		50,362
Emergency hospital admissions from falls (Age over 65; Per 100,000 population)	2,268		2,283
Emergency readmissions (28 days) (Per 1,000 discharges)	100.0		102
Potentially preventable hospital admissions (Per 100,000 population)	1,849		1,638

Source: SLUHSCP Profile 2024, Local Intelligence Support Team, Public Health Scotland
Key:  Favourable Movement  Adverse Movement

In South Lanarkshire, 40,695 (12.8%) of people are income deprived (Scottish average - 12.1%). 17,313 (43%) of people live in the 20% most deprived data zones. 23,382 (57%) of people live outwith the 20% most deprived data zones.

South Lanarkshire		
Quintiles	Number Income Deprived	Percentage Income Deprived
1	9,160	22.5%
2	8,153	20.0%
3	7,466	18.3%
4	5,313	13.1%
5	4,001	9.8%
6	1,811	4.5%
7	2,263	5.6%
8	1,123	2.8%
9	1,075	2.6%
10	330	0.8%
SLC Total	40,695	100.0%

Source: National Records of Scotland

MANAGEMENT COMMENTARY (CONT.)

IJB Strategic Commissioning Plan 2022-2025

The approved IJB Strategic Commissioning Plan 2022-2025, which can be accessed at https://www.southlanarkshire.gov.uk/slhscp/downloads/file/392/strategic_commissioning_plan_2022-2025, sets out how resources will be directed to secure better health and well-being outcomes. The Plan On A Page is summarised as follows:

**South Lanarkshire Integration Joint Board
Strategic Commissioning Plan | 2022-25**

Plan on a page **Vision:** Working together to improve health and wellbeing in the community – with the community

Values: Empathy Empower Elevate

<https://vimeo.com/689689109/cb5228bd69>

Context:

- Changing needs of the population
- Meeting the needs of all our communities fairly and equally
- Applying evidence of what works
- Best use of the public pound
- Feedback from our communities – what is important to people

Our priorities

- Priority 1:** Sustaining statutory social care and core health care functions
- Priority 2:** Greater emphasis on early intervention, prevention and inequalities
- Priority 3:** Addressing mental health and addictions
- Priority 4:** Improving unscheduled care and optimising intermediate care
- Priority 5:** Supporting carers
- Priority 6:** Promoting self-care and self-management including technology enabled care
- Priority 7:** Improving transitional arrangements
- Priority 8:** Facilitating single point of access and increasing access to seven-day services
- Priority 9:** Investing in enablers to support integration
- Priority 10:** Promoting suitable and sustainable housing
- Priority 11:** Contributing to homelessness prevention and reduction
- Priority 12:** Responding to the impact of the COVID-19 pandemic

Key enablers

- Evidence
- Innovation
- Learning
- Partnerships
- Technology
- Leadership
- Our staff
- Our communities
- Our commitment

<https://vimeo.com/739607180>

South Lanarkshire Health and Social Care Partnership

If you need this information in another language or format, please contact us to discuss how we can best meet your needs.
Phone: 0303 123 1015 Email: equalities@southlanarkshire.gov.uk

Produced for Social Work Resources by Communications and Strategy, 063378/Sep22

MANAGEMENT COMMENTARY (CONT.)

<p>IJB Priorities, Developments & Outcomes</p> 	<p>Progress made on the key strategic commissioning intentions, performance indicators and directions is reported regularly to the IJB. These reports highlight the improvements made and innovative practices achieved throughout the year and also the challenges experienced. The key priorities, developments and outcomes in 2023/2024 are highlighted below.</p>
<p>Workforce Capacity & Challenges</p> 	<p>Workforce capacity across health and social care services, locally and nationally, is an ongoing challenge. Demand for and complexity of health and social care services is also increasing. Action is being taken to promote the recruitment and retention of staff, particularly within nursing services and social work services. Changes to the assessment and care management, public protection and mental health services staffing establishment were approved by Social Work Resources Committee on 28 June 2023 to ensure that the provision of statutory duties can continue to be met. Preparation for the implementation of the safe staffing legislation is also being progressed.</p>
<p>Adult Support & Protection</p> 	<p>Social Work staff work collaboratively with a wide range of multi-agency partners to protect and reduce the risk of harm to adults. Adult Support and Protection inquiries increased by 96% from 1,968 in 2018/2019 to 3,862 in 2023/2024. Services are prioritised to meet public protection and other legislative duties and to maintain the delivery of critical care. During the fourth quarter of 2023/2024, 91% of inquiries were completed within 5 days and 79% of investigations were completed within timescale. Performance for both exceeded the 75% national target.</p>
<p>General Practice Sustainability & Primary Care Improvement Plan</p> 	<p>A well-functioning primary care service is a key foundation of a modern health service. GP sustainability and capacity however remains a challenge nationally and locally. The aim continues to be to refocus the role of GPs as expert medical generalists, working with a wider team to provide more care in the community. Similar to other NHS Boards in Scotland, the Primary Care Improvement Plan (PCIP) in Lanarkshire has not been fully implemented due to a combination of financial and workforce concerns. Significant ongoing risks within Dental Services around resilience and sustainability is also having an effect on secondary care services. In 2023/2024, the governance within primary care has evolved. The implementation of the PCIP has broadened to align with the developing Primary Care Strategy and Our Health Together Strategy.</p>
<p>Primary Care Out Of Hours</p> 	<p>The Primary Care Out of Hours Service is hosted within SLUHSCP. Reflective of Scotland-wide issues, in order to address workforce availability challenges and escalating demand, a new clinical model and supporting project was implemented during 2023/2024 which supported a move to a multi-disciplinary team and competency-based model of care, alongside a wider review of urgent care arrangements. Advanced Nurse Practitioners, Nurse Practitioners, salaried GPs, Pharmacists, and Paramedics now comprise the clinical workforce with support from a dedicated administrative team. In March 2024, a Deputy Clinical Director was recruited to the service. Two Specialist Palliative Care Nurses have been introduced on Saturdays and Sundays from 8 am to 4 pm. Early indications are that this pilot project is contributing positively to the service outcomes.</p>

MANAGEMENT COMMENTARY (CONT.)






<p>OPERATION</p> <p>F Focused L Lanarkshire O Optimal W Whole System</p>	<p>In response to the urgent and unscheduled care challenges across Lanarkshire, Operation FLOW was implemented during 2023. This refers to the way patients move through a hospital, from admission to discharge, and can lead to better patient outcomes, increased capacity, reduced waiting times, improved patient and staff satisfaction and improved patient safety. This rapid improvement plan was taken forward by NHSL, the South and North Lanarkshire University Health and Social Care Partnerships and the Scottish Ambulance Service.</p>
---	---








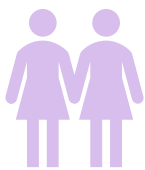
Achieving the target of 90% ward beat is a key driver to reducing and sustaining occupancy levels and to improving performance and flow across the whole system. This is a key area of improvement focus for operational and clinical teams, linked to the escalation framework. From 8 April 2024 an appreciative deep dive enquiry has been undertaken to provide assurance that new models and service changes have been implemented fully.

Despite the increase in the 75+ age group, the percentage of people over 75 who are not thought to be in any other setting, or receiving any Home Care, has increased to 84.7% since 2015/2016. However, there continues to be an overall increase in the number of social work referrals and work is ongoing with acute colleagues to ensure appropriateness of referral. This work includes the development of a community beat which indicates the number of social work referrals community teams can process, given their available resources, for inpatients to maintain or reduce the number of patients who are in delay.


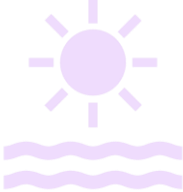



MANAGEMENT COMMENTARY (CONT.)

 <p>Children's Nursing Services</p> 	<p>The Universal Health Visiting Pathway is fully implemented within South Lanarkshire and delivered by Health Visitors.</p> <p>Following the introduction of the Early Years Workers pilot, additional targeted support is being offered where one or more developmental concerns have been identified at the 27-30 months' child health review. There has been an overall improvement of 72.2% in children who have received Early Years Workers' support.</p> <p>Confirmation of funding from April 2024 was received which may extend the Family Nurse Partnership early intervention support to first time mums under 19 years of age.</p> <p>It is recognised that childhood immunisation rates have been declining within South Lanarkshire and across Scotland. Work is ongoing to identify mechanisms to address this.</p> <p>Following participation in a five-year transformation programme associated with the refocussed School Nursing role, the School Nursing team is now fully established. This service offers targeted support to vulnerable children, young people and their families, including support for young carers, care experienced pathways and emotional health and wellbeing pathways.</p>
<p>Hospital At Home Service</p> 	<p>There are currently 72 virtual beds managed in the Hospital @ Home (H@H) service which was initially launched in August 2023. It is intended to commission an additional 200 virtual beds to support models of care more focussed on prevention and the development of community-based services.</p> <p>The virtual beds will be fully technology-enabled to optimise care for patients, support communication and enable the effective management of a patient's condition in their own home as much as possible. Positive outcomes from the H@H model are being realised and ongoing learning will be built into future models.</p>
<p>Care at Home Services & Home First</p>  	<p>The redesign of the Care at Home service has been fully implemented. Home First supports the strategic vision to improve individual outcomes and maximise the independence of service users leaving hospital or living in the community, thereby reducing reliance on statutory services.</p> <p>Four Home First teams have been established within each locality to augment the Care at Home service and to respond to the pressures across health and social care services. The integrated multi-disciplinary teams, which comprise of Occupational Therapists, Physiotherapists and Care at Home staff, use a re-ablement approach to optimise the independence of service users over a 6-week period and enable them to remain in their own homes, prevent hospital admission, or receive support immediately after discharge from hospital.</p> <p>Between October 2022 and March 2024, the average reduction of care provided to those that have received home first intervention has been 35%. This exceeds the 25% target. A projected saving of £5.459m has been approved for 2024/2025 in respect of the external care at home services.</p>


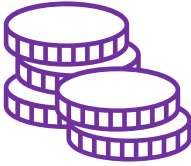

MANAGEMENT COMMENTARY (CONT.)

 <p>Blantyre LIFE</p> 	<p>The new 'state-of-the-art' care facility, Blantyre LIFE, opened in March 2023. As part of a larger development, the 20 bedded care facility focuses on transitional support and the 'home for life' principle, seeking to reduce reliance on long-stay nursing and residential care services and instead facilitate increased choice and support to help service users live well in the community.</p> <p>Since June 2023, transitional care has been provided to 148 people, focusing on short-term rehabilitation to rebuild confidence and regain skills to enable people to return home or to a setting which best meets their needs. Many of these people would have previously had to move to a care home. Additional staff have been appointed to support the flow and assessment process. Performance measures are being considered.</p>
 <p>T Technology E Enabled C Care</p> 	<p>Lanarkshire's TEC team continue to provide an integrated approach to sustaining people to live independently at home and within their community. It facilitates hospital or integrated care discharges and may also be urgently requested as part of adult support and protection planning or end of life care. Demand for assistive technology has increased during 2023/2024. In March 2024, 13% of requests supported people to return home from hospital or intermediate care through the Home First pathway and 63% of requests improved safety and reduced the risk of harm.</p> <p>The Centre of Excellence within Blantyre Life, which was the first collaboration of its kind between the Glasgow Science Centre and any HSCP in Scotland, continues to promote the delivery of TEC to support people to live well, safely and independently at home. One of the key recommendations of the National Institute for Health and Care Excellence guidelines on Stroke Rehabilitation in Adults published in October 2023 is to have intensive rehabilitation therapy available seven days a week. The technology-enriched stroke rehabilitation area within Ward 11 at University Hospital Wishaw was launched on 8 November 2023.</p>
<p>Digital Alarms</p> 	<p>In 2023/2024, the SLUHSCP was awarded the Bronze Digital Telecare Implementation Award for migrating over 50% of analogue alarms to digital technology. The total number of installations to date is currently 6,580. In respect of future sustainability, a priority is to recycle and reuse alarms. To date, 965 alarms have been recycled. The cost avoided is £0.156m.</p>
<p>Carers Support</p> 	<p>The implementation of the Carers (Scotland) Act 2016 is a key action for the IJB and its partners. The Carers Strategy Partnership Group maintains oversight of all activity in relation to carers and continues to improve and enhance partnership working between commissioned services, Self-Directed Support teams, Social Work local offices and Acute Hospital sites. Demand for information and advice and carer support across all localities continues to increase. A range of carers' supports is commissioned by South Lanarkshire, with Lanarkshire Carers offering direct support, information and advice to adult and young carers, patients and the wider workforce. Lanarkshire Carers also has delegated responsibility to lead on the provision of Adult Carer Support Plans for those with low or moderate needs. The co-location of the Lanarkshire Carers support service within the three NHS hospital sites in Lanarkshire is now re-established and work is ongoing to raise awareness and maximise the use of referral routes and pathways.</p>

MANAGEMENT COMMENTARY (CONT.)

<p>BR I A R Brain Injury Assessment & Rehabilitation Centre</p> 	<p>In Lanarkshire, an average of 250 people a year sustain a brain injury severe enough to require admission to a general ward within an acute hospital. In November 2023, the new dedicated state-of-the-art BRIAR Centre with 10 inpatient beds opened within Stonehouse Hospital and introduces intensive inpatient rehabilitation capability to join the award-winning NHS Lanarkshire community brain injury rehabilitation service. The dedicated multi-disciplinary team of specialised healthcare professionals are working collaboratively to provide comprehensive rehabilitation tailored to each patient’s needs to allow the best opportunity to return home to their everyday lives at the earliest opportunity. The Centre also offers support to help families navigate the challenges associated with brain injuries.</p>
<p>South Lanarkshire Local Housing Strategy</p> 	<p>The SLC Strategic Housing Investment Plan 2024 to 2029 continues to align with the SLUHSCP to ensure appropriate current and future housing provision to meet the changing needs of tenants and other customers. Alongside the transition of existing care and support models, SLC has established a new South Lanarkshire Progressive Housing approach. The aim of the Affordable Housing Supply Programme is to provide appropriate services and house types in the right areas that focus on independence. Appropriate opportunities to increase settled accommodation for care experienced young people will also be explored.</p>
<p>M A T Medication Assisted Treatment Standards</p> 	<p>As a member of the local Alcohol and Drug Partnership, collaborative work has progressed to maximise the capacity to provide a whole system response to people adversely affected by substance use and to reduce drug deaths.</p> <p>MAT standards 1 to 5 have been fully implemented and embedded within the local service. The focus going forward is to further progress the full implementation of MAT standards 6 to 10 by 2025.</p>
<p>Prescribing</p> 	<p>Prescribing costs vary between different Health Board areas and are influenced by a variety of factors including population demographics and the prevalence of chronic disease. Since 2013/2014, prescribing volumes and prices have increased across Scotland by 11.6% and 33% respectively. Prescribing savings of £1.820m were achieved in 2023/2024 however the overspend at 31 March 2024 was £6.701m. Prescribing quality and cost efficiency improvements continue to be progressed, including implementing the new guideline launched in January 2024 on items with low therapeutic value. To change patient and prescriber culture, prescribing training also commenced in September 2023 and has been delivered to over 100 people to date including GP trainees, nurses and other non-medical prescribers.</p>
<p>N C S National Care Service</p> 	<p>The NCS (Scotland) Bill passed stage 1 in the Scottish Parliament on 1 March 2024. In line with the initial agreement, the statutory delivery functions would remain with local government and health boards respectively, along with assets, employment and relevant funding. The membership and composition of the NCS Board and reformed IJBs will be determined through co design and will be set out as appropriate in secondary legislation.</p>

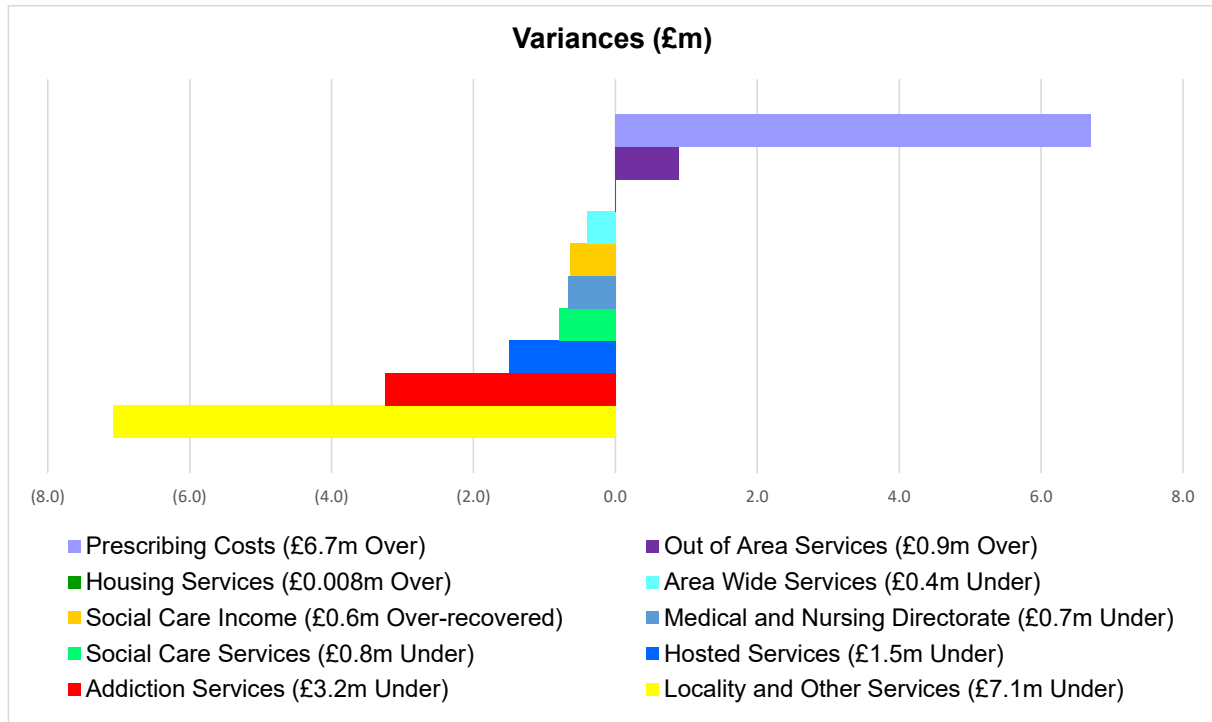
MANAGEMENT COMMENTARY (CONT.)

<p>Performance Outcomes 2023/2024</p> 	<p>As part of good governance, accountability and visibility, performance reports are presented to all regular IJB and IJB (Performance and Audit) Sub-Committee (PASC) meetings. The report includes the performance in respect of the Ministerial Steering Group targets with regards to the unscheduled care pathway through A&E attendance, admissions, discharges and the general balance of care between community and hospital/residential based care. These measures form part of the recognised national suite of integration measures and are reported annually through the IJB Annual Performance Report. These figures are also published quarterly by the Scottish Government. The report has been further developed to reflect additional performance measures relating to the SCP priorities, public protection measures and the External Auditor recommendation.</p> <p>The performance report is available at: https://www.southlanarkshire.gov.uk/slhscp/downloads/download/100/ijb_meetings_dates_agendas_and_minutes_2024</p>
<p>Financial Sustainability</p> 	<p>The IJB has a statutory duty to set a balanced budget. IJBs continue to operate in a complex, challenging and changing environment, both locally and nationally, and demand across the IJB’s statutory responsibilities has increased over recent years. The scale of the challenge to make the IJB financially sustainable cannot be underestimated. Setting and delivering financial balance is fundamental to delivering upon the priorities within the SCP in a sustainable manner.</p> <p>It is recognised that failure to make necessary changes to how public services are delivered will likely mean further budget pressures in the future. This is the challenge both locally and nationally across all IJBs. In order to address projected significant recurring funding gaps going forward, ‘significant transformation’ will be needed. To secure recurring financial sustainability, the Sustainability and Value Programme (SAVP) approach approved by the IJB on 28 March 2023 was adopted. The SAVP approach is transformational and includes whole system service redesign, service reduction, prescribing efficiencies and management and operational actions.</p> <p>Recognising the necessity to move at pace, a joint approach has also been developed between the North Lanarkshire and South Lanarkshire University HSCPs to identify health care savings options. This will ensure consistency and coverage when proposed as options to each IJB. The joint approach also helps to mitigate the significant resource and capacity required to deliver change on this scale and at pace.</p>
<p>Communication & Engagement Strategy</p> 	<p>The well-established methods of communication and engagement were refreshed to ensure they remained fit to support the current and future delivery of the IJB’s SCP. This included communication and engagement arrangements to support legislative and governance requirements and the SAVP approach, both strategically and operationally.</p> <p>The development of the SCP 2025-2028 is progressing.</p>

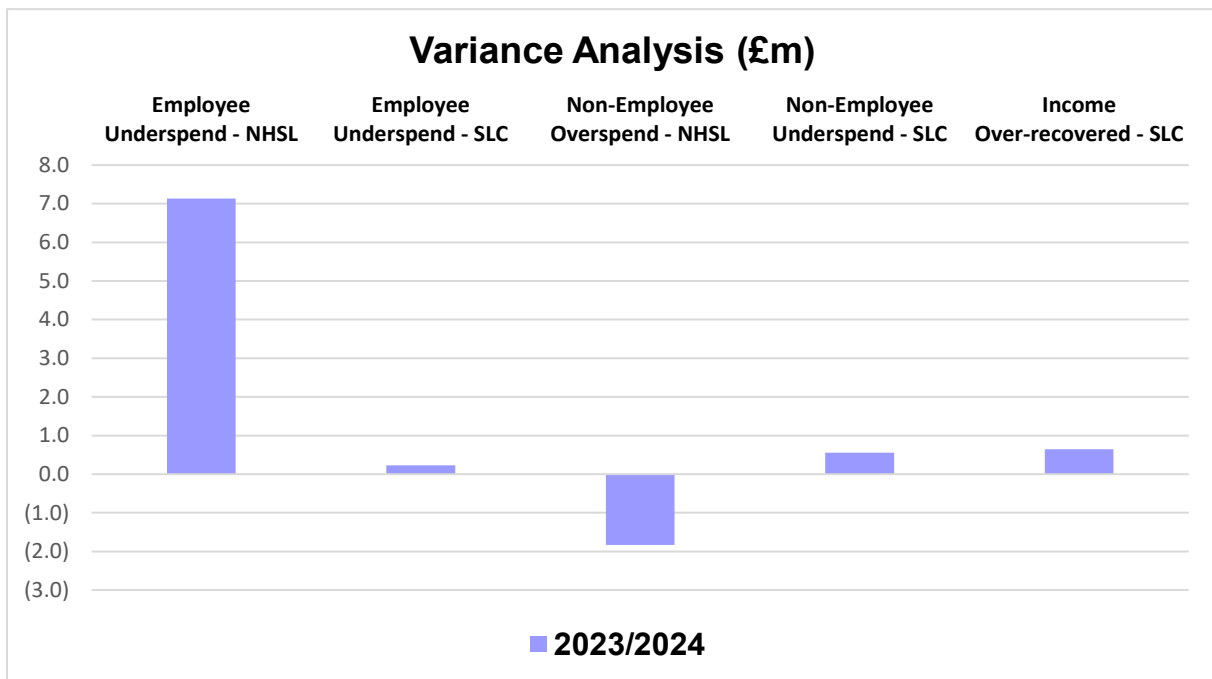
MANAGEMENT COMMENTARY (CONT.)

Financial Outturn 2023/2024

The financial monitoring report for the year ended 31 March 2024 confirms a total underspend of £6.750m (NHSL - £5.304m; SLC £1.446m). A budget recovery plan was approved by the IJB on 18 October 2023 to address the recurring cost of the Care at Home Services job evaluation cost of £7m. The main variances across services are highlighted as follows:



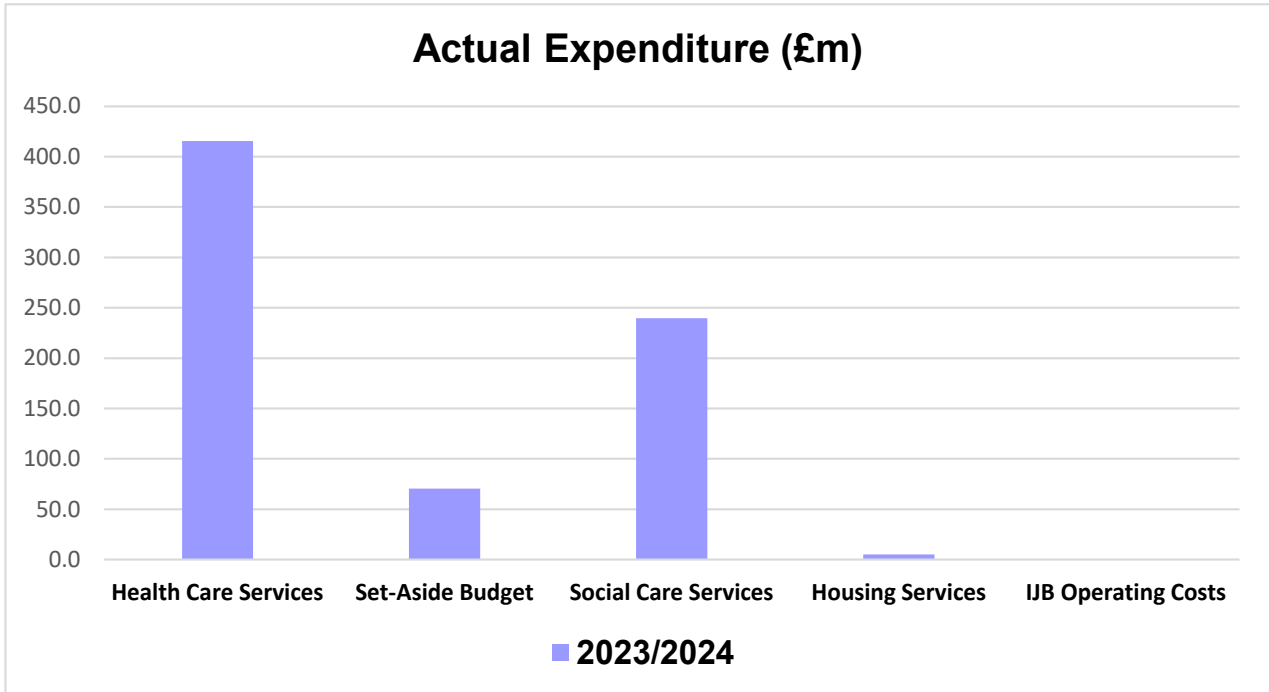
The variance analysis is further analysed between employee costs and non-employee costs for each partner as follows:



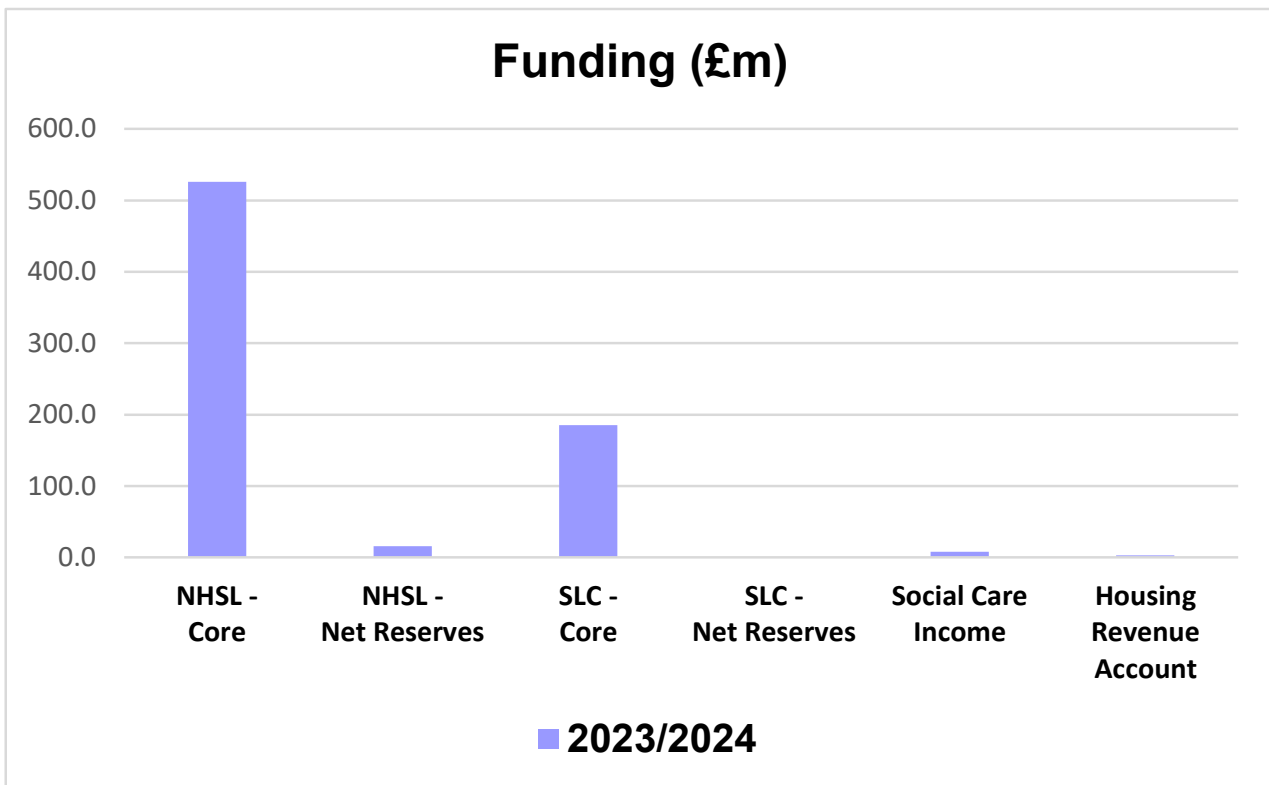
MANAGEMENT COMMENTARY (CONT.)

Financial Outturn 2023/2024 (Cont.)

The actual expenditure incurred in 2023/2024 is detailed at the Comprehensive Income and Expenditure Statement at page 34 and is summarised as follows:



The funding from each partner is highlighted as follows:



MANAGEMENT COMMENTARY (CONT.)

Annual Accounts 2023/2024

The underspend retained by the IJB and transferred to reserves is £6.750m (NHSL - £5.304m); SLC - £1.446m). In line with the future commissioning intentions of the IJB and the strategic priorities agreed with the Scottish Government and both partners, £4.990m of the underspend was transferred to earmarked reserves (ring-fenced funding) and £1.760m was transferred to earmarked reserves (voluntary). The planned expenditure funded from IJB reserves totalled £15.855m (NHSL - £15.855m; SLC - £0.000m).

The deficit on the provision of services and total comprehensive income and expenditure in 2023/2024 is £9.105m. This is highlighted on the Comprehensive Income and Expenditure Statement on page 34 and is also included in the Movement on Reserves Statement on page 35. The final year end underspend of £6.750m and the movement in reserves of £9.105m is reconciled in the table below.

Financial Outturn 2023/2024		Movement in Reserves Reduction / (Increase)	Returned to Partner
	£m	£m	£m
SLC – Underspend	1.446	(1.446)	0.000
SLC – HRA	0.000	0.000	0.000
SLC – Net underspend	1.446	(1.446)	0.000
NHSL – Underspend	5.304	(5.304)	0.000
Total As At 31 March 2024	6.750	(6.750)	0.000
Planned Use Of Reserves In-Year		15.855	
Deficit or (surplus) on provision of services and total comprehensive (income) and expenditure (Note 10)		9.105	

The net movement on reserves was therefore a decrease of £9.105m. The reserves balance at 31 March 2024 is £28.835m (NHSL - £26.026m; SLC - £2.809m). This is detailed in note 10 on page 44 and is summarised as follows:

Earmarked reserves (ring-fenced funding)	£18.682m
Earmarked reserves (voluntary)	£10.153m
Contingency reserves	£0.000m
Total	£28.835m

The services which are hosted by South Lanarkshire IJB on behalf of the North Lanarkshire IJB and the hosted services which are led by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB are detailed in note 9 on pages 42 and 43. In line with the Integrated Resource Advisory Group Finance Guidance, the lead partner for a hosted service is responsible for managing any overspends incurred. With the exception of earmarked reserves (ring-fenced funding), the lead partner can also retain any underspends which may be used to offset the overspends. This arrangement has been in place since 1 April 2016. The South Lanarkshire IJB and the North Lanarkshire IJB endorsed this principle in respect of 2023/2024.

Key Strategic Risks And Uncertainties

The IJB Risk Management Strategy complements the existing risk management processes within each partner. The IJB and the PASC are regularly appraised of challenges and risks to health and social care services particularly in respect of increasing levels and complexity of demand, workforce availability and the necessity to better ensure that provision meets the needs of diverse communities – as well as the opportunities for transforming services and support with partners. The six IJB risks after mitigation are as follows:

Very High Risk	High Risk	Medium Risks
<ul style="list-style-type: none"> ◆ Financial Sustainability ◆ Workforce Availability ◆ Performance Delivery 	<ul style="list-style-type: none"> ◆ Failure to meet public protection and legislative requirements 	<ul style="list-style-type: none"> ◆ Performance Reporting does not capture performance across the whole health and social care system ◆ Winter Pressures

The key strategic risks and uncertainties are highlighted below.

Financial Sustainability

The IJB Financial Plan 2024/2025 was approved by the IJB on 26 March 2024. This plan set out the parameters to achieve a balanced budget for the year.

IJB Financial Plan 2024/2025	NHSL	SLC	Total
Funding Gap	£40.928m	£34.280m	£75.208m
Additional Funding	(£27.434m)	(£14.737m)	(£42.171m)
Savings	(£13.494m)	(£19.543m)	(£33.037m)
Total	(£40.928m)	(£34.280m)	(£75.208m)

The financial strategy includes reliance on non-recurring funding (£3.181m), non-recurring reserves (£2.693m) and non-recurring savings (£1.060m) totalling £6.934m (NHSL - £6.122m; SLC - £0.812m), the costs in respect of which will recur in 2025/2026. The Chief Financial Officer is continuing to work with both partners to identify further recurring solutions effective from 1 April 2025 for IJB consideration. The IJB Financial Plan 2024/2025, which included consideration of different occupational therapy and physiotherapy service care models and the re-provisioning of internal residential care services, is available at:

https://www.southlanarkshire.gov.uk/slhscp/downloads/file/472/sl_ijb_meeting_papers_26_march_2024

Due to current and future uncertainty and the Scottish Government’s short-term financial planning cycle, the financial projections continue to be difficult to forecast and are subject to a high degree of financial risk, particularly in respect of pay negotiations, national care home contract negotiations and projected service demand.

It is anticipated that the public sector in Scotland will continue to face a range of challenges in the short and medium term. There is therefore significant uncertainty about current and future additional costs and current and future Scottish Government funding. The Medium Term Financial Forecast for 2025/2026 to 2027/2028 is continuing to be updated to reflect the implementation of the IJB Financial Plan 2024/2025 and updates from the Scottish Government when available.

MANAGEMENT COMMENTARY (CONT.)

Key Strategic Risks And Uncertainties (Cont.)

Workforce Challenges

There continue to be significant workforce pressures across health and social care services. High vacancy rates across many services together with the increasing demand for services is a risk to the capacity and quality of services. These workforce issues, which are being experienced nationally, have the potential to impact on the achievement of the SCP. Both partners are taking action to address this risk, with regular updates provided to the PASC.

Performance Delivery

There is a risk that, given current service delivery models and provision, performance delivery in relation to the SCP priorities and targeted outcomes deteriorates due to the impact of the required expenditure reductions, workforce supply challenges and service demands.

Failure to meet public protection and legislative requirements

There is a risk that financial and workforce instability alongside demand pressures compromises the IJB's ability to commission services sufficient to meet public protection and legislative requirements, including safe staffing.

Performance reporting does not capture performance across the whole health and social care system

There is a risk to the IJB that performance reporting is too narrow in focus and does not adequately describe how the SCP priorities and targeted outcomes are being achieved.

Winter pressures

There is a risk of increased service challenges over the winter period, e.g. due to impact of seasonal respiratory conditions and adverse weather. This could impact on workforce availability, service demands, service performance and unexpected cost pressures.

Partner Risks

The associated partner risks, which the IJB also requires to be cited on, were reported to the IJB on 26 March 2024. Each partner's top risks continue to be monitored to mitigate any potential adverse impact on the successful delivery of the intentions set out in the SCP. It is also recognised that a number of concurrent risks may align to create increased system pressures.

National Context

There remains considerable uncertainty about the planning and delivery of health and social care services whilst the Scottish Government develop plans to create a National Care Service. Audit Scotland reports have also been published over the last six years concerning health and social care. In April 2023, the IJB Financial Analysis 2021/22 report highlighted the following:

- IJBs face increasing demand. Scotland's population is ageing, with increasingly complex health and social care needs.
- The health and social care workforce are under extreme pressure, with continued recruitment and retention challenges.
- Significant transformation is needed to ensure financial sustainability and service improvements.
- The identification and delivery of recurring savings and reducing reliance on using reserves to fund revenue expenditure is key to ensuring long-term financial sustainability.

There remains a significant overall and recurrent budget gap across all IJBs. Audit Scotland therefore advise that it is essential that IJBs identify significant recurring savings to maintain current levels of service provision at the same time as transforming the way services are delivered.

MANAGEMENT COMMENTARY (CONT.)

Conclusion

The IJB continues to be committed to working with both partners to implement the SCP and to progress the transformational change required to secure recurring financial and operational sustainability across health and social care services in 2024/2025 and beyond.

The ongoing implementation of the Sustainability and Value Programme will continue to focus on the following:



Service redesign and innovation will be key to changing the way services are planned and delivered. Prevention and early intervention remain key components of the transformation of services. Managing delayed discharges is an essential consideration which is dependent on the capacity of community care services. The IJB will however require to continue to prioritise, reduce or stop some services. Effective communication and public awareness is essential to managing expectations of future service delivery.

Ongoing partnership working continues to play a key role in providing effective responses and ultimately keeping people safe.

Approved by:

Lesley McDonald
Chair
Date: 29 October 2024

Professor Soumen Sengupta
Chief Officer
Date: 29 October 2024

Marie Moy
Chief Financial Officer
Date: 29 October 2024

STATEMENT OF RESPONSIBILITIES

Responsibilities of the South Lanarkshire Integration Joint Board

The South Lanarkshire Integration Joint Board (IJB) is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the IJB has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this IJB, that 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 Accounts for signature.

I confirm that these Annual Accounts were approved for signature at a meeting of the South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee on 29 October 2024.

Signed on behalf of the South Lanarkshire Integration Joint Board

Chair: Lesley McDonald

Date: 29 October 2024

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 the Annual Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Local Authority Accounting Code in so far as it is compatible with legislation.

The Chief Financial Officer has also:

- kept adequate accounting records which are up to date; and
- 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 the South Lanarkshire Integration Joint Board at the reporting date and the transactions of the South Lanarkshire Integration Joint Board for the year ended 31 March 2024.

Chief Financial Officer Marie Moy

Date: 29 October 2024

REMUNERATION REPORT

Introduction

The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014 which requires, at least, disclosure about the remuneration and the pension benefits of any person whose remuneration is £150,000 or more.

Integration Joint Board

The Standing Orders of the IJB, as prescribed by the Public Bodies (Joint Working) (Integration Joint Board) Order 2014, sets out the detail regarding IJB membership, voting and the calling of meetings. The IJB comprises eight voting members, four of whom are Elected Members appointed by SLC and four of whom are Non-Executive Directors appointed by NHSL. The term of office of members is for a period of three years. The appointments of Chair and Depute Chair are usually for a period of 3 years with the appointments relevant for the period of these accounts being detailed below. There are also non-voting representatives on the IJB drawn from health and social care professionals, employees, the third sector, service users and carers.

Remuneration: IJB Chair and Depute Chair

IJB members do not currently receive remuneration or expenses directly from the IJB. Any remuneration or reimbursement of expenses for voting members is governed by the relevant IJB partner organisation. The IJB does not provide any additional remuneration to the Chair, Depute Chair or any other IJB members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting member costs borne by the partner. The details of the Chair and Depute Chair appointments held during 2023/2024 are outlined in the table below. No taxable expenses were paid by the IJB in 2022/2023 or 2023/2024.

Period	Post Held	Name	Nominated by
1 April 2022 to 31 March 2025	Chair	Lesley McDonald	NHS Lanarkshire
1 April 2022 to 31 March 2025	Depute Chair	Councillor Margaret Walker	South Lanarkshire Council

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of the voting members. The pension rights disclosures for the Chair and the Depute Chair are set out in the remuneration reports of each partner organisation as appropriate.

Senior Officers

The Chief Officer is appointed by the IJB in consultation with NHSL and SLC. The Chief Officer is employed by SLC. Although their contract of employment is with SLC, the Chief Officer is regarded as an employee of the IJB for 50% of their time.

The Chief Financial Officer is appointed by the South Lanarkshire IJB and is employed by SLC. The Chief Financial Officer, whose services have been secured under the requirements of section 95 of the Local Government (Scotland) Act 1973, is seconded to the IJB in line with the local arrangements.

The IJB is responsible for the strategic planning and commissioning of health and social care services. Each partner is responsible for the operational delivery of the IJB's strategic directions. The IJB does not directly employ any health or social care staff. They are employed by either NHSL or SLC and remuneration for staff is reported in the Annual Accounts of the relevant employing organisation.

REMUNERATION REPORT (CONT.)

Remuneration: Officers of the IJB

The remuneration of the senior officers is set with reference to national arrangements as well as local decisions on management structures and their associated remuneration levels. The Scottish Joint National Committee for Local Authority Services sets out the spinal column salary points for Chief Officers which can be utilised in setting salary levels for such posts. The senior officers received the following remuneration in the year:

Name	Salary, fees, allowances	2023/2024 Total Remuneration	2022/2023 Total Remuneration
Soumen Sengupta Chief Officer (1 April 2023 to 31 March 2024)	£78,456	£78,456	£72,974
Marie Moy Chief Financial Officer (1 April 2023 to 31 March 2024)	£81,500	£81,500	£73,201

The remuneration disclosed in the table above is the proportion of remuneration received in relation to the activity of the South Lanarkshire IJB during 2023/2024.

While the Chief Officer is appointed to the South Lanarkshire IJB, SLC continues to meet 50% of the costs of this post directly. This reflects the Chief Officer's responsibilities for Children and Justice Services and Performance and Support Services (which are not delegated functions to the IJB) in their capacity of the Council's Director of Social Work Resources. The Chief Officer, as the Director of Health and Social Care, also contributes to the strategic direction of SLC as part of the Corporate Management Team.

Pay band information is not separately provided as all staff pay information has been disclosed in the information above. There were no exit packages awarded during the financial year. There were no taxable expenses paid to the Chief Officer or the Chief Financial Officer in 2022/2023 or 2023/2024.

Pension Benefits

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. 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 senior officers are members of the Strathclyde Pension Fund which is a Local Government Pension Scheme (LGPS). The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Scheme Regulations 2014. The costs of the pension scheme contributions for the year to 31 March 2024 are shown in the table overleaf. A pro-rata approach has been adopted in both 2022/2023 and 2023/2024. The pension benefits relate only to the proportion attributable to the activity of the South Lanarkshire IJB.

REMUNERATION REPORT (CONT.)

Name	Pension Benefits	To 31 March 2024	To 31 March 2023
Soumen Sengupta Chief Officer (1 April 2023 to 31 March 2024)	In-year pension contributions	£15,142	£14,084
	Accrued pension benefits	£4,192	£2,715
	Movement in accrued pension benefits	£1,477	£1,808
Marie Moy Chief Financial Officer (1 April 2023 to 31 March 2024)	In-year pension contributions	£15,730	£14,466
	Accrued pension benefits	£39,505	£34,958
	Movement in accrued pension benefits	£4,547	£2,710
	Lump Sum	£49,160	£45,857

The information contained within the Remuneration and Pension Benefits sections above was subject to audit.

Approved by:

Lesley McDonald
Chair
Date: 29 October 2024

Professor Soumen Sengupta
Chief Officer
Date: 29 October 2024

ANNUAL GOVERNANCE STATEMENT 2023/2024

Introduction

The Annual Governance Statement explains the governance arrangements and reports on the effectiveness of the system of internal control for the Integration Joint Board (IJB).

Scope of Responsibility

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. It also has a statutory duty of best value and is required to make arrangements to secure continuous improvement and performance, while having regard to economy, efficiency and effectiveness. To meet these responsibilities, the IJB has established arrangements for governance which includes a system of internal control to support the achievement of policies, aims and objectives and to ensure risk is managed to a reasonable level.

The Governance Framework and Internal Control System

The governance framework within the IJB is set out in the [South Lanarkshire IJB Code of Corporate Governance](#) which comprises of the systems, processes, culture and values by which the IJB is directed and controlled. The Code of Corporate Governance is consistent with the seven core principles of the Delivering Good Governance in Local Government Framework (CIPFA 2016) and also the International Framework, Good Governance in the Public Sector.

The overall aim of the governance framework is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. The governance framework enables the IJB to monitor the attainment of the partnership outcomes.

The system of internal control is proportionate to the IJB's strategic responsibility and reliance is placed on the NHS Lanarkshire Health Board (NHSL) and South Lanarkshire Council (SLC) systems of internal control. The effective operation of each partner's financial and corporate systems, processes and internal controls are key to the achievement of the IJB's outcomes. The system aims to identify and manage key risks. This includes evaluating the likelihood of those risks materialising and their potential impact, if realised. The internal control system can only provide reasonable and not absolute assurance of effectiveness. Internal controls cannot eliminate all risks of failing to achieve policies, aims and objectives however they are a significant part of the governance framework and are designed to manage risk at a reasonable level.

The IJB is made up of eight voting members: four Elected Members appointed by SLC and four Non-Executive Directors appointed by NHSL. Non-voting members of the IJB include the Chief Officer, Chief Financial Officer, Chief Social Work Officer, Nurse Advisor, Registered Medical Practitioners and representatives for staff, the independent sector, third sector, service users and carers. The governance framework is enhanced by the feedback from the IJB and the IJB (Performance and Audit) Sub-Committee (PASC) carrying out their scrutiny roles.

The openness and transparency of the IJB's activities and decision making are enhanced through the live on-line streaming of the IJB and the PASC meetings. A recording is also available on the SLC YouTube channel.

ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

Review of Adequacy and Effectiveness

Ongoing operational service and financial sustainability are the key priorities for the IJB and both partners.

The review of the effectiveness of the system of internal control is undertaken throughout the year and is in line with the Local Authority Accounts (Scotland) Regulations 2014. Improvement actions continue to be implemented to further develop controls and to achieve integration outcomes. The ongoing review is also informed by cross-assurances from each partner, NHSL and SLC, including consideration of their relevant internal audit and external audit reports and the governance arrangements implemented in response to the ongoing legacy impact of the Covid-19 pandemic.

As a matter of good governance, the IJB Standards Officer undertook a review of the IJB Chief Officer's Scheme of Delegation to ensure that it continued to be appropriate for the current and anticipated operating environment, particularly in respect of effective and timely strategic and operational decision-making of an urgent nature in order to maintain service continuity as far as practical during critical periods. The outcome of this review was considered by the IJB on 12 December 2023. The revised Scheme of Delegation provides authority to Officers to deliver functions or to take decisions on operational matters on behalf of the IJB whilst reserving decisions and responsibility for strategic oversight to the IJB. The revised Scheme of Delegation also reflects statutory changes and updates to each partner's Scheme of Delegation.

During the Covid-19 pandemic, authority was delegated by the IJB to the IJB Chief Officer to make timely strategic and operational decisions of an urgent nature. This delegated authority ended on 20 June 2023.

Assessment of Governance Arrangements

The IJB has established an effective governance arrangements in place. The main features of the IJB's system of internal control are summarised below.

1. Governance Overview

The Integration Scheme is the key document which articulates the strategic role and purpose of the IJB and how it will operate. Following minor revisions, a revised Integration Scheme was approved by the Scottish Ministers on 15 March 2024. There were no material changes to delegated functions.

The Scheme of Delegation provides authority to the Chief Officer, the Chief Finance Officer and Chief Social Work Officer to deliver functions or to take decisions on operational matters on behalf of the IJB whilst reserving decisions and responsibility for strategic oversight to the IJB. As highlighted above, on 12 December 2023, the IJB approved the revised Scheme of Delegation which had been updated to reflect relevant statutory changes and updates to the SLC and NHSL Schemes of Delegation since they were last approved by the IJB.

Established policies and procedures are also in place to support the IJB functions and to respond to any conflicts of interest if they arise. These can be accessed on the Health and Social Care Partnership (HSCP) website at https://www.slhscp.org.uk/info/14/key_documents

ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

1. Governance Overview (Cont.)

Over the course of a financial year, the full IJB will meet on four occasions as a minimum. The budget for the forthcoming year and the directions for each partner are approved in advance of each financial year. Beyond this, development time is also set aside for IJB Members as part of ensuring IJB Members have protected time to discuss important areas of policy and to consider topics where greater information and understanding would further enhance informed decision-making.

Supporting the IJB is the PASC which also meets four times per year as a minimum. The PASC provides an additional layer of governance and scrutiny, particularly with regards to matters related to finance, risk, audit actions, performance and governance. Since its inception, the PASC has had its remit extended to, for example, now include the powers to receive any certified abstracts of the IJB Annual Accounts.

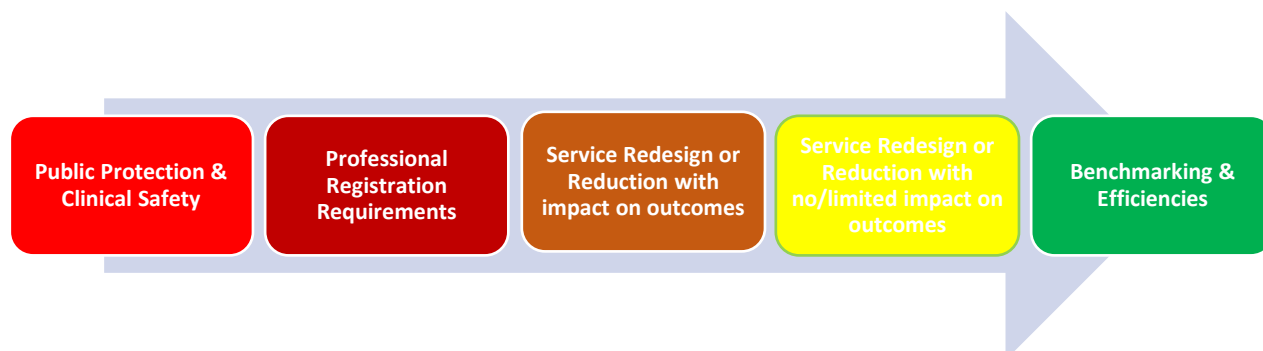
2. Financial And Performance Overview

From a visibility and governance perspective, the IJB receives as standing items at each meeting a finance report and a performance report. These reports detail how the budget is being utilised to deliver strategic commissioning intentions; and also how said intentions are impacting on performance, particularly with regards to the key integration indicators.

The IJB Financial Plan 2023/2024, which was originally approved by the IJB on 28 March 2023, was updated on 21 August 2023 to reflect the funding solution agreed for the care at home service job evaluation back pay cost between October 2020 and March 2023 for current staff and leavers which totalled £18 million. The financial monitoring reports in 2023/2024 were subsequently updated to reflect the recurring and non-recurring budget strategy approved by the IJB on 18 October 2023 to address the significant recurring annual Care at Home services job evaluation cost of approximately £7 million per annum.

As the delegated funds come from NHSL and SLC, the level of funding available to the IJB is heavily influenced by these organisations' grant settlements from the Scottish Government. Both NHSL and SLC face challenges balancing their respective budgets due to budget pressures exceeding the provisional level of funding available. This is consistent with the pressures across public services nationally.

In order to secure financial sustainability and to identify a range of potential savings options for consideration by the IJB, the development and implementation of the Sustainability and Value Programme (SAVP) approach was endorsed by the IJB on 28 March 2023. This included the following SAVP Option Appraisal Screening Scale which has been designed to ensure that potential savings options are appraised, prioritised and then presented to the IJB for consideration in a manner consistent with statutory obligations and professional requirements.



ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

2. Financial And Performance Overview (Cont.)

The screening scale reflects the advice of the HSCP's Medical Director, Nurse Director, Allied Health Professions Director and the SLC Chief Social Work Officer and illustrates the commitment to protect the most vulnerable people in South Lanarkshire.

IJB Members and IJB Voting Members participated in four workshop sessions held during 2023/2024. Whilst not decision-making forums, these interactive sessions provided the opportunity for IJB Members to consider, inform, scrutinise and challenge potential options to set a balanced budget in advance of the IJB meeting on 26 March 2026.

The IJB Financial Plan 2024/2025, which reported the net funding gap for 2024/2025 totalling £33.037m (NHSL - £13.494m; SLC - £19.543m), was approved by the IJB on 26 March 2024. In order to protect services and supports for the most vulnerable and at-risk across our communities, areas of activity have to be delivered differently, be reduced or stop.

The IJB is recognised as having a strong track-record of sound financial management and robust financial governance. Recognising the necessity to move at pace, a further development of the SAVP approach in 2024/2025 is the joint North and South Lanarkshire University HSCP approach to identify health care savings options. This will ensure efficiency of time and effort to identify and develop the savings options and will also ensure consistency and coverage when proposed as options to each IJB where approval is required. The joint approach will help to mitigate the significant resource and capacity required to deliver change on this scale and at pace. The outcome of achievable savings will be attributed to the South Lanarkshire IJB, North Lanarkshire IJB and NHSL Health Board fairly and transparently. The new NHSL Transformation & Reform Programme for whole-system redesign has also been established.

The current and projected financial challenges inevitably mean that service levels cannot be maintained and difficult decisions will need to continue to be taken. The priority continues to be to respond to the current and emerging service challenges, in particular workforce capacity and the identification of recurring funding solutions to replace the non-recurring bridging funding being relied on in 2024/2025.

The IJB reserves strategy ensures all available funding is directed to best effect to secure financial sustainability and achieve required outcomes.

The Medium Term Financial Forecast which was presented to the IJB in June 2023 is being updated in consultation with both partners.

In addition to the regular reporting on matters relating to the IJB budget, the IJB has a duty to produce Annual Accounts for each financial year and these are signed off by the IJB and External Auditors. The Annual Accounts for the year ended 31 March 2023 were approved by the PASC on 28 September 2023.

Performance reporting against the six Health and Social Care Delivery Plan and Ministerial Steering Group Indicators is well-embedded. Following the outcome of the External Audit in 2023/2024, the opportunity to enhance the performance monitoring arrangements to clearly link the strategic priorities to target outcomes and to reflect these through performance monitoring reports was identified, agreed and implemented during 2023/2024. Operational performance continues to be monitored by each partner through existing locality arrangements with any areas of concern being escalated to the IJB as appropriate.

As recommended by Audit Scotland, in order to enhance the reader's experience and to provide a more informative overview of the key messages of the IJB, infographics are included in the management commentary of the Annual Accounts 2023/2024.

ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

3. Risk Management

A key part of governance arrangements is the IJB’s Risk Management Strategy and the regular review of the IJB Risk Register. The IJB is committed to promoting an environment that is risk aware and strives to place risk management information at the heart of key decisions. This means that the IJB can take an effective approach to managing risk in a way that both addresses significant challenges and enables positive outcomes.

From a risk tolerance perspective, the IJB aims to be risk embracing, in that it will accept a tolerable level of risk to deliver the strategic commissioning intentions set out in the Strategic Commissioning Plan (SCP). The level of risk facing the IJB is measured both before (inherent risk) and after (residual risk) consideration of controls.

Reflective of the discussions at the annual risk workshop for PASC Members on the 22 August 2023, the IJB Risk Register has been revised and refined to focus and provide visibility on risks identified and assessed as being very high or high pre-mitigation.

The summary profile of the six IJB risks highlighted from an inherent and residual risk scoring perspective was agreed by the IJB on 26 March 2024 as follows:

Risk Level	Inherent Risks	Residual Risks
Very High	6 (100%)	3 (50%)
High	0 (0%)	1 (17%)
Medium	0 (0%)	2 (33%)
Low	0 (0%)	0 (0%)
Total	6 (100%)	6 (100%)

The risk profile detailed above is reflective of the environment within which the health and social care services currently operate. The IJB and the PASC are regularly appraised of challenges and risks to health and social care services.

Each partner’s top risks continue to be monitored to mitigate any potential adverse impact on the successful delivery of the SCP priorities. Both partners have resilience planning on their respective risk registers. Following the inclusion of IJBs as a Category 1 Responder under the Civil Contingencies 2004 Act, IJBs have been asked to consider where this duty may feature as part of respective risk registers. Discussions are ongoing with lead officers in this area to consider the extent of risk associated with this topic and the responsibilities of the IJB therein. An update will be provided at the next PASC for consideration.

In line with the IJB’s commitment to the ongoing assessment of risk, there will continue to be regular environment scanning undertaken to identify other risks which could impact on the business of the IJB.

4. Strategic Commissioning Plan 2022-2025

The IJB’s SCP, which was approved in March 2022, sets out the agreed strategic priorities for health and care delivery in South Lanarkshire. This is the IJB’s third plan since inception of integration arrangements. It provides directions to, and has been presented to, both SLC and NHSL, as well as having been shared with the local Community Planning Partnership. It has been developed with – and to meet the ambitions of – local communities. The 12 overarching priorities are highlighted on the SCP Plan On A Page within the Management Commentary of the IJB Annual Accounts 2023/2024. Preparation for the next SCP 2025 – 2028 is commencing.



ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

5. Annual Performance Report

In line with the duties of the Public Bodies (Joint Working) (Scotland) Act, the IJB approves its Annual Performance Report (APR) as part of providing assurance to the people of South Lanarkshire that progress is being made to achieve the nine National Health and Wellbeing Outcomes as set out in the SCP. Work is now underway to prepare the eighth APR and this will be signed off at an IJB meeting in the 2024/2025 cycle. The content of the APR will focus on progress being made against the commitments within the SCP.

6. Directions

The IJB has authority to issues directions to the partner bodies i.e. SLC and NHSL, or both, as part of ensuring that the strategic intentions set out in the SCP are achieved. A directions log is kept up to date with all extant directions reported to IJB meetings on a regular basis as part of monitoring progress and providing the IJB with an assurance that the partners are progressing these as set out. Following a review during the year to remove completed directions, the following 14 live IJB directions were confirmed with both partners for 2024/2025.

Deliver all statutory and legal duties in respect of delegated functions.	Focus on early years, health inequalities, early intervention/ prevention and building capacity for workforce improvement.	Implement the Carers (Scotland) Act 2016.	Deliver routine enquiry across all services, including visiting outreach, GP services and A&E to identify housing issues and requirements.
Progress Operation FLOW as part of the 6 priority areas outlined in the Health and Social Care Delivery Plan and to reduce the impact across the system.	Implement a 'Home First' approach to retaining people in their communities, whilst supporting them to return safely to their homes following a hospital admission.	Reduce reliance on nursing and residential care through building community sustainable and integrated community services which support and enable people to live independently in their own homes.	
	Develop alternative and sustainable models within Primary Care to address General Practitioner capacity challenges, reduce prescribing activity to a sustainable level and continue to implement the General Medical Services Contract.		
Promote Third Sector and Leisure alternatives to formal service provision through the Integrated Care Fund Investment.	Prioritise access to general medical and universal health screening services for homeless people.	Develop and implement the South Lanarkshire Alcohol and Drug Partnership Strategy 2020.	
Implement the strategic whole system approach to deliver the Strategic Commissioning Plan outcomes and the locality plans.	Develop and implement a performance management approach for the Partnership.	Further integrate IT and information sharing to allow access to partner IT systems.	

Reports to the IJB and PASC will continue to reference any risks which may impact on any of the IJB directions within the content of the paper being considered. The risk register is also updated following each meeting to ensure it is contemporary with the business of the day. These will similarly be updated for both NHSL and SLC to a similar timeframe. A comprehensive review of the IJB directions will be undertaken following the outcome of the options considered by the IJB on the SAVP with a further report to the IJB during 2024/2025.

7. Partner Assurances

In respect of 2023/2024, the SLC and NHSL partners have provided assurance that the governance arrangements across the health and social care services delegated to the IJB remain appropriate and effective.

ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

8. Acute Hospital Services – The Notional Set-Aside Budget

The “set-aside” budget is the IJB’s share of the budget for delegated acute services provided by the large hospitals on behalf of the IJB. The budget and actual expenditure reported for the “set-aside” is £70.359m. The calculation of the notional set-aside allocation and the confirmation of actual activity levels remains a complex accounting process. The historic nature of activity data used to determine actual costs means that the actual variance from budgeted costs is not known until two years later. Greater volatility is also expected on services and activity levels due to the impact of Covid-19 on the acute services delivered between 2020 and 2023.

The notional set-aside allocation will continue to be updated on receipt of validated activity levels from the Information Services Division. The NHSL Director of Finance, in consultation with the IJB Chief Financial Officer, continues to develop the monitoring arrangements for the Hospital Acute Services.

9. Workforce Challenges

There continue to be significant workforce pressures across health and social care services including recruitment challenges, and the need to ensure the appropriate skills mix, service sustainability due to retirements and concerns about staff wellbeing. High vacancy rates across some services are highlighted as a risk to the capacity and quality of the service, particularly if there is also an increase in the demand for the service. These workforce issues, which are being experienced nationally, have the potential to impact on the achievement of the SCP. Recruitment and retention are ongoing improvement actions.

10. Internal Audit

The IJB Internal Audit Services are delivered jointly by SLC and NHSL in accordance with the Public Sector Internal Audit Standards. On 16 March 2021, the PASC approved the continuation of the joint Internal Audit approach. Both partners are committed to continue to deliver a joint Internal Audit approach for 2024/2025. The Internal Audit of operational activities is undertaken under the auspices of the parent bodies. The Internal Audit Plan 2023/2024 was approved by the PASC on the 21 March 2023. This included an assessment of our performance frameworks, including the adequacy and effectiveness of the IJB’s response to the Covid-19 pandemic, and also the fourth and final phase of the value for money audit of equipment and adaptations.

There continue to be ongoing significant demand and capacity challenges on the health and social care system. The risk environment is therefore still volatile. The Internal Audit Plan for 2024/2025 was presented to the PASC on 20 February 2024. This includes a review of the IJB’s approach to consultation and a review of the revised approach to performance monitoring and reporting.

It was noted that the Internal Audit Plan should be re-evaluated during the year to allow any significant changes to the organisation’s risk profile to be reflected in the Internal Audit Plan. Any proposed amendments would be subject to PASC approval. The IJB therefore delegated authority to the IJB Chief Financial Officer to finalise the Internal Audit Plan for 2024/2025 including the agreement of the detailed scope of each audit assignment and the allocation of assignment responsibilities, having regard to Internal Audit resource availability and the timeline for completion.

The External Audit Annual Audit Report 2022/2023, which was reported to the PASC on 19 September 2023, concluded that Internal Audit provided a reasonable level of assurance over the adequacy and effectiveness of the partnership’s framework of governance, risk management and control arrangements for the year ending 31 March 2023.

ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

11. External Audit

Audit Scotland are the IJB's External Auditors for the period 2022/2023 to 2026/2027. The External Auditor concluded that the financial statements of the IJB for 2022/2023 gave a true and fair view of the state of affairs and of its net expenditure for the year and issued an unqualified Independent Auditor's Report in September 2023.

The External Auditor noted that IJBs across Scotland continued to operate in a challenging environment in 2022/2023 and that the South Lanarkshire IJB was facing ongoing financial and operational challenges that impacted on its capacity to progress its planned service developments. The External Auditor stated the following in their IJB Annual Audit Report 2022/2023:

- *With pressures on public sector funding and rising cost pressures, SLIJB face difficult decisions around the model and level of services it can provide in a financially sustainable and safe way.*
- *Management recognise that the scale of the challenge to make the IJB financially sustainable cannot be underestimated.*
- *In both delivery of the 2023/24 financial position as well as longer term financial sustainability the IJB face difficult decisions around the level and range of services the IJB can provide.*
- *All members have a responsibility for working constructively and demonstrating strong cohesive leadership to fulfil the IJB's duties and meet these challenges on behalf of local people.*

The External Auditor recognised that that appropriate arrangements were in place for securing best value and that these were continuing to be developed to reflect the financial and operational challenges faced.

The External Audit Annual Report 2022/2023 concluded that the IJB has effective financial reporting and budget monitoring arrangements in place and that the financial systems of internal control operated effectively during the year under review, 2022/2023. Opportunities were identified to further improve budget monitoring reports to clearly demonstrate spend in the year, particularly expenditure funded through reserves. The financial monitoring reports in respect of 2023/2024 were developed to include this detail.

External Audit noted that the IJB's performance reports aligned to the Ministerial Steering Group performance measures and were supported with wider updates on performance. As highlighted at section 2, the opportunity to enhance the performance monitoring arrangements to clearly link the strategic priorities to target outcomes and to reflect these through performance monitoring reports was identified, agreed and implemented during 2023/2024. Locality Implementation Plans were aligned to support the performance monitoring arrangements.

Additional performance measures are included in reports in respect of the top four SCP priorities and these will continue to be monitored and adapted to reflect any change in the top strategic priorities being focussed on.

While frontline service delivery is the responsibility of NHSL and SLC, External Audit noted that the IJB rely on the cyber security arrangements in place at the key strategic partners. Formal assurance arrangements are in place with the NHSL and SLC partners in respect of the adequacy and effectiveness of the cyber security arrangements across the responsibilities delegated to the IJB in 2023/2024.

The update on all audit actions was presented to the PASC on 28 May 2024. All actions are completed.

ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

12. Legislative Responsibilities and Scottish Government Requirements

As referred to above, the IJB has a number of legislative and Scottish Government requirements that it must comply with including:

- Climate Change (Scotland) Act 2009
- The Model Code of Conduct for Board Members of Devolved Public Bodies
- Freedom of Information (Scotland) Act 2002
- The Public Records (Scotland) Act 2011
- Fairer Scotland Duty 2018
- Public Bodies (Joint Working) (Scotland) Act 2014

The IJB has policies and procedures in place to respond to and ensure compliance with these responsibilities.

The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Amendment Regulations 2003 requires a Standards Officer to be appointed for the IJB and sets out the statutory responsibilities for that Officer. On 26 March 2024, the IJB approved the nomination of the current Head of Administration and Legal Services employed by SLC to undertake the role of Standards Officer following the retirement of the previous post holder. This nomination was forwarded to the Standards Commission for approval.

Following the publication of the Independent Review of Adult Social Care in February 2021 and the National Care Service (Scotland) (NCS) Bill in June 2022, the NCS Bill progressed through stage 1 of the Scottish Parliament 3 stage process. The general principles of the NCS were examined by the Scottish Parliament's Health, Social Care and Sport Committee alongside work being undertaken by other Parliamentary Committees. On 1 March 2024 the NCS Bill passed Stage 1 in the Scottish Parliament.

13. Compliance with Best Practice

The IJB complies with the CIPFA Statement on "The Role of the Chief Financial Officer in Local Government 2016". The Chief Financial Officer has responsibility for the IJB's financial strategy and for the proper administration of the IJB's financial responsibilities. The Chief Financial Officer is professionally qualified and suitably experienced to advise the IJB.

The IJB complies with the requirements of the CIPFA Statement on "The Role of the Head of Internal Audit in Public Organisation 2019". The IJB appointed the NHSL Chief Internal Auditor and the SLC Audit and Risk Manager to be responsible for the IJB's internal audit function. Both officers are professionally qualified and suitably experienced to lead and direct the internal audit staff within their teams. Each Internal Audit Service was subject to external verification of its compliance with CIPFA "Public Sector Internal Audit Standards 2017" during 2021. It was confirmed that each Internal Audit Service conforms with the requirements of such standards.

The PASC operates in accordance with CIPFA's *Audit Committee principles in Local Authorities in Scotland and Audit Committees; Practical Guidance for Local Authorities*. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to achievement of the IJB's objectives and to ensure they are managed effectively. The likelihood of those risks being realised is regularly evaluated, including an assessment of the impact of the risks should they be realised.

Further information on the above areas can be found on the HSCP website: <https://www.southlanarkshire.gov.uk/slhscp/>

The reports presented to the IJB and the PASC during 2023/2024 can be accessed at: https://www.southlanarkshire.gov.uk/slhscp/info/2/integration_joint_board

ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

14. Overview of Control and Governance Improvements

Improvement areas to further strengthen the IJB's governance arrangements during 2023/2024 were identified in the Annual Governance Statement included in the IJB Annual Accounts 2022/2023. Progress was reported to the PASC on 28 May 2024 as follows:

- The IJB financial monitoring reports reflect the alignment of resources to the partner directions. This includes the locality needs in line with the SCP and the outcome of the SAVP. Good practice will continue to be identified and adopted as appropriate.
- The revised IJB Scheme of Delegation was approved by the IJB on 12 December 2023. The revised Scheme of Delegation which outlines the specific powers delegated to the Chief Officer, the Chief Finance Officer and Chief Social Work Officer has been updated to reflect any statutory changes or updates to the SLC and NHSL Schemes of Delegation since it was last approved by the IJB.
- No revisions have been identified in respect of the IJB Financial Regulations. This will continue to be kept under review.

The IJB's governance arrangements during 2024/2025 will continue to be further strengthened. This will include consideration of the following:

- The progress of the SAVP approach to identify recurring savings options, including service redesign options, service reduction options, strategic digital developments and the joint approach for the North Lanarkshire and South Lanarkshire University HSCPs. The Medium Term Financial Forecast will also continue to be reviewed.
- The harmonisation of the IJB financial monitoring reports to reflect the migration to the Fusion system. This is the Oracle system's cloud-based human resources and finance information technology solution and is a significant change programme currently being progressed by the SLC partner.

Internal Audit Opinion

Internal control remains, primarily, a management responsibility to ensure that the HSCP conducts its business in a manner that has due regard for the principles of good governance.

The Internal Audit opinion is that, overall, reasonable assurance can be placed on the adequacy and effectiveness of the partnership's framework of governance, risk management and control arrangements for the year ending 31 March 2024. No issues were identified during the course of the internal audit work during 2023/2024 which required to be disclosed in the Annual Governance Statement.

Conclusion of Opinion and Assurance

During 2023/2024, the IJB has adhered to the stated principles of good governance, acted in the public interest, and been committed to continuous improvement. There were no significant control weaknesses, issues, or failures in the expected standards for good governance, risk management and internal control.

Following the Public Health Emergency (Covid-19 Pandemic), normal business operations are being returned to however there continues to be a legacy impact of the unprecedented challenges during this period. The IJB and both partners continue to respond pro-actively to service demands. Risk assessments continue to be updated and regularly reviewed.

ANNUAL GOVERNANCE STATEMENT 2023/2024 (CONT.)

Conclusion of Opinion and Assurance (Cont.)

The IJB governance arrangements are effective and consistent with the recommendations of the CIPFA/SOLACE Framework (2016). The IJB considers that review processes are in place and are effective. Assurances that adequate and effective systems of internal control are in place have been exchanged between the IJB and each partner.

It is the IJB's opinion that reasonable and objective assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements and that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact.

This assurance is limited, however, to the work undertaken during the year, the assurances provided by each partner and the evidence available at the time of preparing this statement. In partnership with NHSL and SLC, the IJB continues to have effective and robust structures in place to deliver the commissioning intentions. The good governance arrangements across the HSCP also effectively contribute to the implementation of the objectives of both partners.

Approved by:

Lesley McDonald
Chair
Date: 29 October 2024

Professor Soumen Sengupta
Chief Officer
Date: 29 October 2024

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED
31 MARCH 2024**

This statement shows the actual cost of providing services in accordance with generally accepted accounting practices, the total funding contributions from the partners and the surplus on activities during the year.

2022/2023				2023/2024		
Gross Expenditure	Gross Income	Net		Gross Expenditure	Gross Income	Net
£m	£m	£m		£m	£m	£m
233.230	(7.784)	225.447	Social Care Services	231.704	0.000	231.704
111.091	0.000	111.091	Family Health Services	116.322	0.000	116.322
71.371	0.000	71.371	Prescribing Costs	79.051	0.000	79.051
129.597	0.000	129.597	Hosted Services (health care) (Note 9)	151.130	0.000	151.130
65.213	0.000	65.213	Hospital Acute Services (Notional Set Aside Budget)	70.359	0.000	70.359
66.980	0.000	66.980	Health Care Services	69.112	0.000	69.112
5.602	(2.886)	2.716	Housing Services	2.144	0.000	2.144
0.228	0.000	0.228	Corporate Services (Note 6)	0.247	0.000	0.247
13.673	0.000	13.673	Covid-19 Costs	0.001	0.000	0.001
696.984	(10.670)	686.315	Cost of Services	720.070	0.000	720.070
0.000	(638.976)	(638.976)	Taxation and Non-Specific Grant Income (Note 5)	0.000	(710.965)	(710.965)
696.984	(649.646)	47.338	(Surplus) / Deficit on provision of services and total comprehensive (income) and expenditure (Note 10)	720.070	(710.965)	9.105

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	General Fund Balance £m	Total Reserves £m
Opening balance at 1 April 2022	85.278	85.278
Total Comprehensive Income and Expenditure Increase or (decrease) in 2022/2023	47.338	47.338
Opening balance at 1 April 2023	37.940	37.940
Total Comprehensive Income and Expenditure Increase or (decrease) in 2023/2024	9.105	9.105
Closing balance at 31 March 2024	28.835	28.835

BALANCE SHEET AS AT 31 MARCH 2024

The balance sheet shows the value as at 31 March 2024 of the IJB's assets and liabilities at the balance sheet date. The net assets of the IJB are matched by the reserves held by the IJB.

31 March 2023 £m	Balance Sheet	Notes	31 March 2024 £m
37.940	Current assets Short term debtors	7	28.835
37.940	Net assets / (liabilities)		28.835
37.940	Usable reserves	10	28.835
37.940	Total reserves		28.835

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

The unaudited accounts were authorised for issue on 25 June 2024 and the audited accounts were authorised for issue on 29 October 2024.

Authorised by:

Marie Moy
Chief Financial Officer
Date: 29 October 2024

NOTES TO THE ACCOUNTS

1. Accounting policies

1.1 General principles

The Annual Accounts summarise the transactions of the IJB for the financial year 2023/2024 and its position at the year end of 31 March 2024. The IJB was established on 6 October 2015 under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a section 106 body as defined in the Local Government (Scotland) Act 1973. It is a joint venture between South Lanarkshire Council and NHS Lanarkshire. Integrated delivery of health and social care services commenced on 1 April 2016. 2023/2024 is the eighth year of operation for the IJB. The financial statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/2024, supported by the International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

1.2 Going concern

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

1.3 Accounting convention

The accounts are prepared under the historical cost convention.

1.4 Accruals of income and expenditure

Activity is accounted for in the year that it relates to and not simply when financial transactions are undertaken. 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 and 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.

1.5 Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, South Lanarkshire Council and NHS Lanarkshire, to fund its services. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in South Lanarkshire and for service recipients in North Lanarkshire for services that are delivered under hosted arrangements and on a pan-Lanarkshire basis. The funding relating to the year under review is recognised as income in the Comprehensive Income and Expenditure Statement and will normally be income added to the General Fund. There are no statutory or presentation adjustments which affect the IJB's application of the funding received by 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.

1.6 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. There is therefore no requirement for the IJB to prepare a cash flow statement. The funding balance due to or from each funding partner as at 31 March 2024 is represented as a debtor or creditor on the IJB's balance sheet.

NOTES TO THE ACCOUNTS (CONT.)

1.7 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.

1.8 Corporate services

The IJB has a legal responsibility to appoint a Chief Officer. A Chief Financial Officer has also been appointed to the IJB. The details in respect of these arrangements are outlined in the Remuneration Report. The charges from the employing partner are treated as employee costs within Corporate Services. The absence entitlement of both the Chief Officer and the Chief Financial Officer as at 31 March 2024 is not material and has therefore not been accrued.

1.9 Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding board member and officer responsibilities. NHS Lanarkshire and South Lanarkshire Council have responsibility for claims in respect of the services that they are statutory responsible for and that they provide. Unlike NHS Boards, the IJB does not have any "shared risk" exposure from participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in CNORIS is therefore analogous to normal insurance arrangements.

1.10 Debtors and creditors

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

1.11 Reserves

A reserve is the accumulation of surpluses, deficits, and appropriation over a number of years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB. Reserves should be split between usable and unusable on the balance sheet. As at 31 March 2024, the useable reserve balance totals £28.835m. There are no unusable reserves.

1.12 Specific Service Income

Income may be received from individuals as a contribution towards the cost of their social care services. Following a review of the accounting treatment of this income, the amount collected is allocated to the relevant expenditure category and the net cost is reported in the Comprehensive Income and Expenditure Statement. This is the basis upon which the 2023/2024 Annual Accounts have been prepared.

2. Critical judgements and estimation uncertainty

The critical judgements made in the financial statements relating to complex transactions are in relation to the accounting treatment of hosted services and the hospital acute services (set-aside).

Expenditure in respect of hosted services and hospital acute services are included in the financial statements on the basis of estimated figures. Estimates are made taking into account the best available information, however, actual results could be materially different from the assumptions and estimates used. This is further explained at note 2.1 and 2.2.

NOTES TO THE ACCOUNTS (CONT.)

2.1 Hosted services

In applying the accounting policies set out above, the IJB has had to make a critical judgement relating to complex transactions in respect of values included for healthcare services hosted within South Lanarkshire IJB for North Lanarkshire IJB.

Within Lanarkshire, each IJB has operational responsibility for the services which it hosts on behalf of the other IJB. 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 full costs are reflected within the Annual Accounts for the services which the IJB hosts. This is the basis upon which the 2023/2024 Annual Accounts have been prepared.

The relevant share of the pan Lanarkshire and area wide service expenditure is therefore included in the South Lanarkshire IJB on the basis of 48% of the total expenditure. 52% of the services relating to the North Lanarkshire IJB are also included as the South Lanarkshire IJB is acting as the principal for the delivery of these services.

In line with the Integrated Resource Advisory Group Guidance, the IJB responsible for the management of the hosted service is also responsible for managing overspends. As a result, these are accounted for within the Annual Accounts of the lead IJB. The same accounting treatment was adopted where an underspend arose in respect of a hosted service.

2.2 Hospital Acute Services (Set Aside)

The legislation sets out that Integration Authorities are responsible for the strategic planning of hospital services most commonly associated with the emergency care pathway along with primary and community health care and social care services.

As the emergency care services in large hospitals both within Lanarkshire and out of region are used by the residents of multiple IJBs and are delivered using resources shared with other hospital services, estimating the resource used each year by each IJB involves a complex allocation methodology. This is enabled by NHS Public Health Scotland and involves apportioning the hospital expenditure to individual patient episodes, separating out episodes for services delegated to the IJB from those that are not, and assigning these to the relevant IJBs based on postcode. The complexity of this exercise means the results are produced at a time lag of over a year.

In respect of the current financial year 2023/2024 the budget for set aside for 2023/2024 has been agreed with NHSL as £70.359m. This amount will be included in both the NHSL Health Board and IJB Annual Accounts 2023/2024. The agreement in place between the NHSL Health Board and IJB is that the services covered within the set aside arrangements will be provided for the agreed notional sum; and that the risk of the cost of the directed services exceeding the agreed notional sum is borne by the NHSL Health Board during the year.

2.3 Personal Protective Equipment (PPE) and Testing Kits

The Scottish Government has issued guidance on accounting for PPE and testing kits. In accordance with this guidance and based on the judgement that the IJB is acting as an agent, the income and expenditure relating to PPE has been excluded from the IJB Annual Accounts 2023/2024.

NOTES TO THE ACCOUNTS (CONT.)

3. Events after the reporting period

The Chief Financial Officer authorised the unaudited IJB Annual Accounts 2023/2024 for issue on 25 June 2024. There have been no other material events since the date of the balance sheet which requires revision to the figures in the Annual Accounts.

4. Expenditure and Funding Analysis by Nature

2022/2023 £m	Expenditure and Funding	2023/2024 £m	2023/2024 £m
233.230	Social Care Services		228.715
111.091	Family Health Services		116.322
71.371	Prescribing Costs		79.051
60.586	Hosted Services (Health Care) – Led by South Lanarkshire IJB (Note 9)	76.664	
69.010	Hosted Services (Health Care) – Led by North Lanarkshire IJB (Note 9)	74.466	
129.597	Hosted Services – Total		151.130
65.213	Hospital Acute Services (Notional Set Aside Budget)		70.359
51.162	Health Care Services – Localities	56.775	
10.750	Health Care Services - Area Wide	7.036	
5.067	Health Care Services - Out-of-Area	5.301	
66.980	Health Care Services – Total		69.112
2.886	Housing Services - Housing Revenue Account	2.989	
2.716	Housing Services - General Fund	2.144	
5.602	Housing Services – Total		5.133
0.228	Corporate Services		0.247
13.673	Covid-19 Costs		0.001
696.984	Total Gross Expenditure		720.070
(466.038)	Funding Contribution - NHS Lanarkshire		(525.869)
(172.938)	Funding Contribution - South Lanarkshire Council		(185.096)
(10.670)	Specific Service Income		0.000
(649.646)	Total Funding		(710.965)
47.338	(Surplus) / Deficit on the provision of services		9.105

NOTES TO THE ACCOUNTS (CONT.)

5. Taxation and Non-Specific Grant Income

2022/2023 £m		2023/2024 £m
(466.038)	Funding Contribution from NHS Lanarkshire	(525.869)
(172.938)	Funding Contribution from South Lanarkshire Council	(185.096)
(638.976)	Total	(710.965)

The funding contribution from the NHSL Health Board shown above includes £70.359m in respect of the “set aside” resources relating to acute hospital and other resources. These are provided by the NHSL Health Board which retains responsibility for managing the costs of providing these services. The IJB however, has responsibility for the consumption of, and 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.

Income and expenditure in relation to a local authority's own direct provision of housing must be recorded separately within a Housing Revenue Account as laid out in Section 203 of the Housing (Scotland) Act 1987. The amount of the ring-fenced contribution in relation to the Housing Revenue Account totals £2.989m. Other income, including specific service income contributions from individuals towards the cost of their social care services, totals £8.019m.

There are no other non-ring-fenced grants or contributions.

6. Corporate Services

31 March 2023 £m		31 March 2024 £m
0.194	Staff Costs	0.211
0.031	External Audit Fee	0.033
0.003	Administration Costs	0.003
0.228	Total	0.247

The fee payable to Audit Scotland in respect of the external audit services undertaken in accordance with Audit Scotland’s Code of Audit Practice in 2023/2024 is £0.033m. Audit Scotland did not undertake any non-audit services in 2023/2024 or 2022/2023.

7. Short Term Debtors

31 March 2023 £m		31 March 2024 £m
36.577	NHS Lanarkshire Health Board	26.026
1.363	South Lanarkshire Council	2.809
37.940	Total	28.835

NOTES TO THE ACCOUNTS (CONT.)

8. VAT

The IJB is not VAT registered and as such the VAT is settled or recovered by the partner agencies. The VAT treatment of expenditure in the IJB's accounts depends on which of the partner agencies is providing the service as these are treated differently for VAT purposes. VAT payable therefore is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income. The services provided by the Chief Officer to the IJB are outside the scope of VAT as they are undertaken under a specific legal regime.

9. Hosted Services - Income and Expenditure

On behalf of the North Lanarkshire IJB within the NHS Lanarkshire area, the South Lanarkshire IJB acts as the lead for a number of delegated hosted (health care) services. It therefore commissions services on behalf of the North Lanarkshire IJB and reclaims the costs involved. The payments that are made on behalf of the North Lanarkshire IJB, and the consequential reimbursement, are included in the Comprehensive Income and Expenditure Statement. The net amount of expenditure and income relating to these hosted services arrangements is shown below.

2022/2023			Delegated Services - Hosted Services	2023/2024		
Expenditure on hosted services	Income from hosted services	Net Income		Expenditure on hosted services	Income from hosted services	Net Income
£m	£m	£m		£m	£m	£m
6.920	(6.920)	0.000	Primary Care Transformation	12.075	(12.075)	0.000
4.007	(4.007)	0.000	Public Dental Services	4.288	(4.288)	0.000
4.806	(4.806)	0.000	Out of Hours Services	5.227	(5.227)	0.000
2.649	(2.649)	0.000	Diabetic Services	2.395	(2.395)	0.000
4.350	(4.350)	0.000	Occupational Therapy Services	4.669	(4.669)	0.000
3.738	(3.738)	0.000	Palliative Care Services	3.941	(3.941)	0.000
0.452	(0.452)	0.000	Primary Care Services	0.467	(0.467)	0.000
5.536	(5.536)	0.000	Physiotherapy Services	6.103	(6.103)	0.000
1.396	(1.396)	0.000	Traumatic Brain Injury Services	1.477	(1.477)	0.000
33.854	(33.854)	0.000	Services hosted by the South Lanarkshire IJB on behalf of the North Lanarkshire IJB	40.642	(40.642)	0.000
26.732	(20.938)	5.794	Services hosted by the South Lanarkshire IJB on behalf of the South Lanarkshire IJB	36.022	(37.517)	(1.495)
60.586	(54.792)	5.794	Services hosted by the South Lanarkshire IJB Total (Note 4)	76.664	(78.159)	(1.495)

NOTES TO THE ACCOUNTS (CONT.)

9. Hosted Services - Income and Expenditure (Cont.)

Similarly, the North Lanarkshire IJB within the NHS Lanarkshire area acts as the lead for a number of delegated hosted (health care) services on behalf of the South Lanarkshire IJB. The payments that are made by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB, and the consequential reimbursement, are included in the Comprehensive Income and Expenditure Statement, since this expenditure is incurred for the residents of South Lanarkshire. The net amount of expenditure and income relating to those arrangements hosted by the North Lanarkshire IJB is shown below:

2022/2023			Delegated Services - Hosted Services	2023/2024		
Expenditure on hosted services	Income from hosted services	Net Position		Expenditure on hosted services	Income from hosted services	Net Position
£m	£m	£m		£m	£m	£m
1.541	(1.541)	0.000	Sexual Health Services	1.661	(1.661)	0.000
1.177	(1.177)	0.000	Continence Services	1.187	(1.187)	0.000
0.940	(0.940)	0.000	Immunisation Services	2.721	(2.721)	0.000
3.195	(3.195)	0.000	Speech and Language Therapy Services	3.426	(3.426)	0.000
7.193	(7.193)	0.000	Child & Adolescent Mental Health Services	6.975	(6.975)	0.000
6.035	(6.035)	0.000	Children's Services	6.410	(6.410)	0.000
0.278	(0.278)	0.000	Integrated Equipment and Adaptations Services	0.272	(0.272)	0.000
1.996	(1.996)	0.000	Dietetics Services	2.115	(2.115)	0.000
2.250	(2.250)	0.000	Podiatry Services	2.405	(2.405)	0.000
0.874	(0.874)	0.000	Prisoner Healthcare Services	0.982	(0.982)	0.000
0.764	(0.764)	0.000	Blood Borne Viruses	0.833	(0.833)	0.000
1.277	(1.277)	0.000	Hospital at Home Services	1.773	(1.773)	0.000
41.490	(41.490)	0.000	Mental Health Services	43.706	(43.706)	0.000
69.010	(69.010)	0.000	Services hosted by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB (Note 4)	74.466	(74.466)	0.000

**SOUTH LANARKSHIRE INTEGRATION JOINT BOARD
ANNUAL ACCOUNTS 2023/2024**

NOTES TO THE ACCOUNTS (CONT.)

10. Usable Reserve: General Fund

The IJB holds a balance on the General Fund for two main purposes. One purpose is to earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management. A second purpose is to provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework. The table below 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 contingency.

2022/2023				Usable Reserve	2023/2024		
Balance as at 1 April 2022	Transfers Out	Transfers In	Balance as at 31 March 2023		Transfers Out	Transfers In	Balance as at 31 March 2024
£m	£m	£m	£m	Earmarked Reserves (Ring-Fenced Funding)	£m	£m	£m
33.224	(33.202)	3.096	3.118	Covid Funding and Remobilisation Funding	(2.438)	0.000	0.680
5.924	(0.742)	0.000	5.182	Integration Authority Support Fund	(2.085)	0.000	3.097
9.971	(9.971)	0.000	0.000	Primary Care Improvement Fund	(2.595)	2.595	0.000
2.573	(0.926)	0.000	1.647	Adult Social Care Winter Preparedness Fund	0.000	0.000	1.647
1.615	(0.049)	0.000	1.566	Alcohol and Drug Partnership Fund	(1.276)	1.373	1.663
1.047	(0.366)	0.000	0.681	Community Living Change Fund	(0.681)	0.000	0.000
1.372	(4.796)	10.699	7.275	Earmarked Reserves (Ring-Fenced Funding - Other)	(6.197)	10.517	11.595
55.726	(50.052)	13.795	19.469	Total Ring-Fenced Reserves	(15.272)	14.485	18.682
				Earmarked Reserves (Voluntary)			
4.945	(4.127)	0.000	0.818	Financial Plan 2022/2023	0.000	0.000	0.818
0.893	(0.799)	0.152	0.246	Social Care Contingency Fund	0.000	1.446	1.692
0.860	(0.544)	1.567	1.883	Area Wide Services	(0.146)	0.000	1.737
0.997	0.000	0.000	0.997	Information Technology Fund	0.000	0.000	0.997
5.833	(8.400)	5.586	3.019	Earmarked Reserves (Voluntary - Other)	(0.437)	2.327	4.909
13.528	(13.870)	7.305	6.963	Total Earmarked Reserves (Voluntary)	(0.583)	3.773	10.153
16.024	(16.024)	11.508	11.508	Contingency Reserves	(11.508)	0.000	0.000
85.278	(79.946)	32.608	37.940	General Fund	(27.363)	18.258	28.835
	20.948	(20.948)	(0.000)	Transfer Between Reserves	11.508	(11.508)	0.000
	(58.998)	11.660	(47.338)	Movement in Reserves (Decrease)/Increase	(15.855)	6.750	(9.105)

NOTES TO THE ACCOUNTS (CONT.)

11. Related Party Transactions

The IJB has related party transactions with the NHS Lanarkshire Health Board and South Lanarkshire 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.

2022/2023 £m	Transactions with NHS Lanarkshire	2023/2024 £m
(466.038)	Funding Contributions received from NHS Lanarkshire	(525.869)
444.251	Expenditure on Services Provided by NHS Lanarkshire	485.975
4.045	Covid-19 Costs	0.000
0.034	Support Services	0.036
(17.708)	Net Transactions with NHS Lanarkshire	(39.858)

Key Management Personnel: The non-voting IJB members are not directly employed by NHS Lanarkshire, however a contribution of 50% of the cost of the Chief Officer and the Chief Financial Officer is made by NHS Lanarkshire. This payment is included in the Corporate Services cost in the Comprehensive Income and Expenditure Statement. Details of the remuneration of these post holders is included in the Remuneration Report.

NHS Lanarkshire provides a range of support services for the IJB including finance services, personnel services, planning services, audit services, payroll services and creditor services. There is no charge from NHS Lanarkshire to the IJB for these support services.

31 March 2023 £m	Balances with NHS Lanarkshire Health Board	31 March 2024 £m
36.577	Debtor balances: Amounts due from NHS Lanarkshire Board	26.026
36.577	Net Balance with NHS Lanarkshire Health Board	26.026

2022/2023 £m	Transactions with South Lanarkshire Council	2023/2024 £m
(172.938)	Funding Contributions received from South Lanarkshire Council	(185.096)
(10.670)	Service Income received from South Lanarkshire Council	(11.008)
238.833	Expenditure on Services Provided by South Lanarkshire Council	244.856
0.000	Key Management Personnel: Non-Voting IJB Members	0.000
9.628	Covid-19 Costs	0.000
0.193	Support Services	0.211
65.046	Net Transactions with South Lanarkshire Council	48.963

NOTES TO THE ACCOUNTS (CONT.)

11. Related Party Transactions (Cont.)

Key Management Personnel: The Chief Officer and the Chief Financial Officer are non-voting IJB members and are directly employed by South Lanarkshire Council.

Only 50% of the cost of the Chief Officer is allocated by South Lanarkshire Council to the IJB. This payment is included in the Corporate Services cost in the Comprehensive Income and Expenditure Statement. The cost is shared equally between South Lanarkshire Council and NHS Lanarkshire.

100% of the cost of the Chief Financial Officer is allocated by South Lanarkshire Council to the IJB. This payment is included in the Corporate Services cost in the Comprehensive Income and Expenditure Statement. The cost is shared equally between South Lanarkshire Council and NHS Lanarkshire.

Details of the remuneration of these post holders is included in the Remuneration Report.

South Lanarkshire Council also provide a range of support services for the IJB including finance services, personnel services, planning services, legal services, audit services, payroll services and creditor services. There is no charge from South Lanarkshire Council to the IJB for these support services.

31 March 2023 £m	Balances with South Lanarkshire Council	31 March 2024 £m
1.363	Debtor balances: Amounts due from South Lanarkshire Council	2.809
1.363	Net Balance with South Lanarkshire Council	2.809

The financial information contained in the IJB Annual Accounts excludes any values associated with transactions between each of the partners. These have been removed to prevent double counting.

12. 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 to the members of South Lanarkshire Integration Joint Board
and the Accounts Commission**

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of South Lanarkshire 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 my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the South Lanarkshire Integration Joint Board 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

I conducted my 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. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the South Lanarkshire Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the South Lanarkshire Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I 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 I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the South Lanarkshire Integration Joint Board'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 South Lanarkshire Integration Joint Board's current or future financial sustainability. However, I report on the South Lanarkshire Integration Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Financial Officer and South Lanarkshire Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Financial 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 Financial 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 Financial Officer is responsible for assessing the South Lanarkshire Integration Joint Board'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 South Lanarkshire Integration Joint Board's operations.

The Performance and Audit Sub-Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My 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 my 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. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my 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 South Lanarkshire Integration Joint Board;
- inquiring of the Chief Financial Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the South Lanarkshire Integration Joint Board;
- inquiring of the Chief Financial Officer concerning the South Lanarkshire Integration Joint Board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my 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 my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the South Lanarkshire Integration Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Auditor's responsibilities for the audit of the financial statements (Cont.)

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 my auditor's report.

Reporting on other requirements

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

I have audited the parts of the Remuneration Report described as audited. In my 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 Financial 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 part of the Remuneration Report.

My 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 my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I 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 my 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 I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my 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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

**John Boyd FCPFA
Audit Scotland
8 Nelson Mandela Place
Glasgow
G1 2BT**