

A meeting of the **Integration Joint Board Audit & Risk Committee**
 will be held on Monday 22 November 2021 at 2pm
 via MS Teams

Please notify apologies for absence to:
fv.clackmannanshirestirling.hscp@nhs.scot

AGENDA

1. **Apologies for Absence**
2. **Declarations of Interest**
3. **Minutes of previous meeting held on 23 June 2021** **For Approval**
4. **Matters Arising/Urgent Business Brought Forward by Chair**
5. **2020/2021 Annual Audit – Independent Auditors Report
 Incorporating Letter of Representation** **For Approval**
 Presented by John Cornett and Adam Haahr, Audit Scotland
6. **2020/21 Annual Audit report - Proposed** **For Approval**
 Presented by John Cornett and Adam Haahr, Audit Scotland
7. **2020/21 Best Value Statement** **For Approval**
 Presented by Ewan Murray, Chief Finance Officer
8. **2020/21 IJB Annual Accounts** **For Recommendation**
 Presented by Ewan Murray, Chief Finance Officer
9. **Internal Audit Plan** **For Approval**
 Presented by Tony Gaskin, Chief Internal Auditor
10. **Internal Audit Charter** **For Approval**
 Presented by Tony Gaskin, Chief Internal Auditor
11. **Strategic Risk Register** **For Approval**
 Presented by Ewan Murray, Chief Finance Officer
12. **Relevant National Reports** **For Noting**
 Presented by Ewan Murray, Chief Finance Officer
 - 12.1. Covid 19 Vaccine Programme – Audit Scotland
 - 12.2. Tracking the impact of Covid-19 on Scotland's public finances – Audit Scotland
13. **Date of Next Meeting**
 Wednesday 9 February 2022, 2pm

**Minute of the Clackmannanshire & Stirling IJB
Audit and Risk Committee**
held on **Thursday 23 June 2021 at 2.00pm**
via Microsoft Teams

Present:

Voting Members

Councillor Martha Benny, Clackmannanshire Council
(Acting Chair)
Councillor Graham Houston, Stirling Council
Gordon Johnston, Forth Valley NHS Non-executive Board
member.

Non-Voting Members

Natalie Masterson, Chief Officer, Stirling Voluntary
Enterprise.

In Attendance:

Ewan Murray, Chief Finance Officer, HSCP
Annemargaret Black, Chief Officer, HSCP
Tony Gaskin, Chief Internal Auditor
Debbie Laing, Business Support Officer (Minutes)
Ross Reid, Audit Scotland

1. WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting which was taking place via Microsoft Teams due to Covid-19.

Apologies for absence were noted from:

- Allan Rennie, Non-Executive Board Member, NHS Forth Valley (Chair)
- John Cornett, Audit Director, Audit Scotland
- Adam Haar, Audit Manager, Audit Scotland

2. DECLARATION(S) OF INTEREST

No declarations of interest were noted.

3. MINUTES OF PREVIOUS MEETING HELD 11 MARCH 2021

The minutes of the previous meeting held 11 March 2021 were approved by the Committee as an accurate record.

4. MATTERS ARISING/URGENT BUSINESS BROUGHT FORWARD BY CHAIR

No matters arising or urgent business items were brought forward to this meeting.

5. DRAFT POLICY ON DIRECTIONS

This item was presented to the Committee by Mr Murray.

Statutory guidance on the issue of directions was published by the Scottish Government in January 2020 on directions, however due to the Covid-19 pandemic there has not been opportunity to fully consider implementation of this guidance.

The guidance requires that a written policy on directions should be established, a draft of which was presented to this meeting.

The Committee was asked to approve this policy and approve its submission to the September 2021 IJB meeting; subject to approval of the policy, there will be a requirement for a discussion on which HSCP committee will take responsibility for monitoring directions on behalf of the IJB.

The Committee agreed that the adoption of this policy would be of benefit to HSCP; it would provide clarity and transparency in the decision making processes, strengthens the approach between the commissioning and delivery roles, and ties in with the work of the Transforming Care Board.

The Committee agreed that it would be beneficial to add a column to the IJB Decision Log, indicating whether a direction had been issued as a result of a decision. This Decision Log was presented as a standing item at each IJB meeting.

The Audit and Risk Committee:

- 1) Considered and recommended approval of the attached directions policy to the September 2021 IJB.
- 2) Noted that further discussion will be held with the Chair and Vice Chair of the IJB and chairs of the IJB Committees to seek consensus on which committee should perform the monitoring role on Directions on behalf of the IJB.

6. DRAFT RESERVES STRATEGY

This item was presented to the Committee by Mr Murray.

As part of the consolidated partnership response to the Scottish Government's Ministerial Strategic Group (MSG) Review of Progress on Integration, there was an agreement to review the IJB's policies on reserves.

A policy position on reserves was agreed as part of Revenue Budget presented to the 11 May special IJB; the resulting reserves strategy presented to the Committee embeds that policy position within an updated strategy document reflecting current best practice on reserves.

Currently the IJB was temporarily holding in excess of target reserves as a result of implications of Covid for this financial year, this is anticipated to reduce towards the target reserves level over the course of the current financial year.

The Committee was asked to approve the draft reserves policy for submission to the September 2021 IJB meeting; subject to this approval, the policy would be reviewed annually as part of the annual revenue budget setting processes, particularly in relation to the strategic commissioning plan which requires review prior to 1 April 2022.

Committee members agreed that the paper was very clear; currently the IJB was in very unusual position due to Covid, however other IJBs will be in a similar situation. It was suggested that an explanatory sentence about exceptional circumstances and the procedures should the IJB find itself in excess of the target reserves, should be added to cover all eventualities.

The Audit and Risk Committee:

- 1) Considered the draft reserves strategy.
- 2) Recommended approval of the draft reserves strategy to the September 2021 IJB.

7. GOVERNANCE CHECKLIST & PROGRESS UPDATE ON ANNUAL AUDIT REPORT ACTIONS

This item was presented to the Committee by Mr Murray.

The Annual Governance Checklist forms a significant part of the evidence used by the IJB's Chief Internal Auditor, to feed into the Annual Audit Report and recommendations. As a matter of transparency it was brought to the committee for noting.

At the previous Committee meeting on 24 March 2021, a regular update on progress on recommendations within the Annual Audit Report requested to provide transparency and oversight to the Committee. The Committee was asked to view the updates in the context of the action plan and annual governance statement within the accounts.

Mr Gaskin advised that the approach detailed within the paper in respect of completion of the Internal Audit Plan was on track, and was expected to be completed within the timescales documented.

The Audit and Risk Committee:

- 1) Noted the Annual Governance Checklist

2) Noted the progress update on Annual Audit Report Actions

8. INTERNAL AUDIT REPORT

This item was presented to the Committee by Tony Gaskin, Chief Internal Auditor.

Mr Gaskin cautioned the Committee to be aware that internal audit reports vary in content and style between different auditors and organisations; therefore, members should be wary of inferring anything via comparison with other IJB's Audit Reports which may be visible to them.

The Committee heard that the IJB has performed well under extraordinary and unprecedented circumstances. While there are long term structural issues to be considered due to the nature of the structure of IJBs, it should be remembered that CSHSCP was unique within Scotland having two local authorities and a health board as constituent bodies which adds a significant degree of complexity to arrangements.

In discussion of the effect of Covid-19, operationally the IJB did well to make sure services were maintained as they were under the circumstances; however, going forward it would be crucial to remember that the strategic planning process was fundamental, and must be prioritised.

Highlights noted:

- Delivery of audit plan: Some items outstanding, which need to be prioritised. May need to review in post-Covid context, whether previous priorities remain the same.
- Risk Register: Unclear whether this now fully reflects the impact of Covid, so recommended to review.
- Strategic Plan: This was already due for an update in the near future, but it has been highlighted that it should be a priority. Additionally, the Transformation programme should be woven into the strategy planning and vice versa.

The Committee welcomed this positive report, while acknowledging that there was still significant work ahead.

In response to a question regarding whether the highlighted risks had been assigned the appropriate timescales, Mr Gaskin assured that he was content with the timescales as that the work to be completed was strategic in nature and would necessarily take time. In support of this view, Ms Black advised that it would take time to plan develop and implement a programme of engagement activities, across communities of interest and localities, to update the strategic needs assessment for the partnership population.

Other points noted in discussion:

- Ms Black highlighted an ongoing concern regarding senior staff capacity, as she advised that many senior staff still had not taken their full allocation of annual leave from 2020, and we are now halfway through 2021.

- Demand patterns have changed in both the short term and will continue to change in the long term due to pandemic, in ways we do not yet fully understand and cannot yet accurately model. It will be challenging to strategy plan in this landscape when the national picture was constantly shifting.
- The Committee agreed that it would be valuable to view the upcoming Scottish Government consultation on the implementation of a National Care Service, which will provide intelligence on the direction of travel.
- Scenario planning was going to become key moving forward, therefore the wider senior staff team will need to develop that skill set going forward including scenario planning.
- Nationally, there are diverse approaches to Strategic Plan reviews going on such as extending the existing plan for a year, or doing a 10 year strategic plan.

The Audit and Risk Committee:

- 1) Noted the Annual Internal Audit Report 2020/21.
- 2) Agreed for the report's recommendations to be reviewed and responses presented to the next Audit and Risk Committee, in October 2021.

9. DRAFT 2020/21 ANNUAL ACCOUNTS

This item was presented to the Committee by Mr Murray.

Legislation requires that the Unaudited Annual Accounts for the financial year to 31 March 2021 must be considered by a Committee of the IJB before 31 August 2021; these are presented as appendix 1 to the Committee for review.

The style and format of the management commentary has been reviewed and revised as per the recommendations from last year's accounts. Additionally, the final accounts will incorporate an overview of performance summary and KPIs.

Mr Murray flagged one late and ongoing issue to the Committee regarding PPE and testing kits which were distributed through PPE hubs via National Services Scotland (NSS) at no cost, however there may be a requirement for IJBs to recognise the cost in their annual accounts in which case, an adjustment of financial allocations to health boards flowing down to IJBs, would be required to be made.

This issue has been flagged nationally and was being discussed with the NHS Board Finance Directors Group, NHS Corporate Finance Directors Group (of which Mr Murray was a member), and the IJB Chief Finance Officers Group. Updated guidance from the Local Authority Scotland Accounts Advisory Committee (LASAAC) on how this should be reflected in Final accounts.

LASAAC is meeting to discuss this issue today and will issue guidance in due course; from an IJB perspective this will be considered during the audit process given the timing of the issue.

The Committee thanked Mr Murray for his report.

The Audit and Risk Committee:

- 1) Considered the 2020/21 Draft IJB Annual Accounts and approved them for issue.

10. STRATEGIC RISK REGISTER

This item was presented to the Committee by Mr Murray.

The Strategic Risk Register was a standing agenda item for the Audit and Risk Committee; high risks are reported by exception to the IJB.

Mr Murray advised that there work was ongoing to review and align our risk management arrangements with the risk leads in our constituent authorities. A workshop was taking place tomorrow, 24 June, and an update on this would be reported to the next Committee meeting in October 2021.

A substantive review of the Strategic Risk Register will be carried out before the next Committee meeting, including recognising that Covid was no longer an exceptional risk going forward and must be embedded into all our strategic planning and risks as an endemic issue.

The Audit and Risk Committee:

- 1) Reviewed and approved the Strategic Risk Register.

11. RELEVANT NATIONAL REPORTS

11.1 Local Government Overview 2021

11.2 Revised Code of Audit Practice – Audit Scotland

This item was presented to the Committee by Mr Murray.

In line with the Audit and Risk Committee Terms of Reference, Mr Murray has brought to the Committee's attention any national level reports which are of relevance and significance to the business of the IJB. The cover paper has been drafted to draw the key messages together for members.

The Audit and Risk Committee:

- Noted the reports presented to the Committee.

12. ANY OTHER COMPETENT BUSINESS

As there was no other competent business the Chair closed the meeting.

13. DATE OF NEXT MEETING

Currently scheduled for 15 September, however we will likely need to reschedule to late October or early November 2021 so members will be canvassed for availability over the summer after Mr Murray discusses the audit timetable further with the External Auditors.

Audit & Risk Committee

22 November 2021

Clackmannanshire and Stirling Integration Joint Board Audit of 2020/21 annual accounts

Independent auditor's report

1. Our audit work on the 2020/21 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 25 November 2021 (the draft report is attached at Appendix A).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Audit & Risk Committee's consideration our draft annual report on the 2020/21 audit.
3. The report sets our findings in respect of the annual report and accounts, and conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.
4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.
6. We have no unadjusted misstatements to be corrected.

Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Audit & Risk Committee we 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 the entity that should be brought to our attention.

Representations from Chief Finance Officer

8. As part of the completion of our audit, we are seeking written representations from the Chief Finance 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 us by the Chief Finance Officer with the signed annual accounts prior to the independent auditor's report being certified.

APPENDIX A: Proposed Independent Auditor's Report

Independent auditor's report to the members of Clackmannanshire and Stirling 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 Clackmannanshire and Stirling Integration Joint Board for the year ended 31 March 2021 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of Clackmannanshire and Stirling Integration Joint Board as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 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 under arrangements approved by the Accounts Commission on 07/01/2019. The period of total uninterrupted appointment is 3 years. I am independent of Clackmannanshire and Stirling 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 Clackmannanshire and Stirling 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 Clackmannanshire and Stirling 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.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Finance Officer and Audit & Risk Committee for the financial statements

As explained more fully in the Statement of the Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting

framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing Clackmannanshire and Stirling 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 deemed inappropriate.

The Audit & Risk 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 economic 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:

- obtaining an understanding of the applicable legal and regulatory framework and how Clackmannanshire and Stirling Integration Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of Clackmannanshire and Stirling Integration Joint Board;
- assessing 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 Clackmannanshire and Stirling 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 part of the Remuneration Report

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Statutory other information

The Chief Finance Officer is responsible for the statutory other information in the annual accounts. The statutory 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 statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in 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 statutory 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 statutory 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 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; or
- there has been a failure to achieve a prescribed financial objective.

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 the 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 120 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 Cornett FCPFA

Audit Director

Audit Scotland
8 Nelson Mandela Place
Glasgow
G2 1BT

APPENDIX B: Letter of Representation (ISA 580)

John Cornett
Audit Director
Audit Scotland
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear John Cornett

Clackmannanshire and Stirling Integration Joint Board Annual report and accounts 2020/21

1. This representation letter is provided about your audit of the annual accounts of Clackmannanshire and Stirling IJB for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, 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 Chief Executive and Corporate Management Team, the following representations given to you in connection with your audit of Clackmannanshire and Stirling IJB's annual accounts for the year ended 31 March 2021.

General

3. Clackmannanshire and Stirling IJB and I have fulfilled our statutory responsibilities for the preparation of the 2020/21 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 Clackmannanshire and Stirling IJB 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 2020/21 (2020/21 accounting code), and in accordance with 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 Clackmannanshire and Stirling IJB at 31 March 2021 and the transactions for 2020/21.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2020/21 accounting code where applicable. Where the 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 Clackmannanshire and Stirling IJB's 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 Clackmannanshire and Stirling IJB'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 Clackmannanshire and Stirling IJB's ability to continue as a going concern.

Liabilities

10. All liabilities at 31 March 2021 of which I am aware have been recognised in the annual accounts.
11. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2021 of which I am aware where the conditions specified in the 2020/21 accounting code have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2021. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.
12. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2021 or to reflect material changes in the assumptions underlying the calculations of the cash flows.
13. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Contingent liabilities

14. There are no significant contingent liabilities arising either under formal agreement or through formal undertakings requiring disclosure in the accounts.

Fraud

15. I have provided you with all information in relation to:
 - my assessment of the risk that the financial statements may be materially misstated because of fraud
 - any allegations of fraud or suspected fraud affecting the financial statements

- 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

16. 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

17. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2020/21 accounting code. I have made available to you the identity of all the Clackmannanshire and Stirling IJB's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

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

Management commentary

19. 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

20. I confirm that the Clackmannanshire and Stirling IJB has undertaken a review of the system of internal control during 2020/21 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.
21. 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 2021, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

22. All events subsequent to 31 March 2021 for which the 2020/21 accounting code requires adjustment or disclosure have been adjusted or disclosed.
23. This letter was presented to the meeting of the Audit Committee on 22 November 2021.

Yours sincerely

Chief Finance Officer

Clackmannanshire and Stirling Integration Joint Board

2020/21 Annual Audit Report – Proposed



 AUDIT SCOTLAND

Prepared for Clackmannanshire and Stirling Integration Joint Board and the Controller of Audit
November 2021

Contents

Key messages	3
Introduction	5
1. Audit of 2020/21 annual accounts	7
2. Financial management and sustainability	10
3. Governance, transparency, and Best Value	15
Appendix 1	18
Appendix 2	21
Appendix 3	24

Key messages

2020/21 annual report and accounts

- 1 Our audit opinions on the annual accounts of the IJB are unmodified.
- 2 The structure and content of the management commentary within the 2020/21 was of an improved standard. However, the production of annual performance data was delayed meaning it wasn't available until late in the audit process.

Financial management and sustainability

- 3 The IJB has appropriate and effective financial management arrangements in place and returned an underspend of £3.323 million against a budgeted breakeven outturn. This was partly due to the receipt of Scottish Government support for all additional Covid-19 costs.
- 4 Financial management could be improved by aligning the financial reporting of partners to enable a better understanding of costs across the partnership.
- 5 The IJB's medium-term financial plan is based on existing, pre-Covid-19, assumptions. On this basis, a savings requirement of £16-17.5 million is anticipated over the next 5 financial years. The board intends to undertake a full review of the medium-term financial plan as soon as feasibly possible.

Governance, Transparency and Best Value

- 6 The IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the Board. Governance arrangements operating throughout the Covid-19 pandemic have been appropriate and operated effectively.
- 7 The organisation's planned review of its governance framework was paused due to the pandemic and the opportunity now exists for the IJB to re-engage the review process. Key areas of focus for the review include the integration scheme, scheme of delegation and counter-fraud policy.
- 8 The IJB has put in place appropriate arrangements to demonstrate the achievement of Best Value.
- 9 Detailed performance reporting to the board continued during the pandemic. Performance reporting could be improved through the addition of clear

performance targets to allow assessment of how the IJB is performing relative to expectation.

Introduction

1. This report summarises the findings from our 2020/21 audit of Clackmannanshire and Stirling Integration Joint Board (the IJB).
2. The scope of our audit was set out in our Annual Audit Plan presented to the Audit and Risk Committee meeting in March 2021. This report comprises the findings from:
 - an audit of the IJB's 2020/21 annual accounts
 - consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#).
3. The global coronavirus pandemic has had a considerable impact on the IJB and its partner bodies during 2020/21. This has had significant implications nationally for services, sickness absence levels and the delivery planned projects and initiatives Locally, risks related to the pandemic were included in our Annual Audit Plan, and we have adapted our audit work at the IJB to address these risks.

Adding value through the audit

4. We add value to the IJB, through audit, by:
 - regularly meeting with management to discuss current issues and share knowledge and insights from the wider public sector
 - identifying and providing insight on significant risks, and making clear and relevant recommendations
 - sharing intelligence and good practice through our national reports (Appendix 3) and good practice guides
 - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.
5. In doing so, we aim to help the IJB promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

6. The 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. The IJB is also responsible for

compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

7. Our responsibilities, as independent auditor appointed by the Accounts Commission, are established by the Local Government (Scotland) Act 1973, the Code of Audit Practice and supplementary guidance, and International Standards on Auditing in the UK. As public sector auditors, we give independent opinions on the annual accounts. Additionally, we conclude on the appropriateness and effectiveness of the performance management arrangements, the suitability and effectiveness of corporate governance arrangements, and the financial position and arrangements for securing financial sustainability.

8. Further details of the respective responsibilities of management and the auditor can be found in the Code of Audit Practice and supplementary guidance.

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

10. Our Annual Audit Report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, responsible officers, and dates for implementation. It also includes outstanding actions from last year and progress against these.

Auditor Independence

11. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements, auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

12. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2020/21 audit fee of £27,330, as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

13. This report is addressed to both the IJB and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course. We would like to thank all management and staff who have been involved in our work for their co-operation and assistance during the audit.

1. Audit of 2020/21 annual accounts

The principal means of accounting for the stewardship of the resources and performance

Main judgements

Our audit opinions on the annual accounts of the IJB are unmodified.

The structure and content of the management commentary within the 2020/21 was of an improved standard. However, the production of annual performance data was delayed meaning it wasn't available until late in the audit process.

Our audit opinions on the annual accounts are unmodified

14. The annual accounts for the year ended 31 March 2021 were approved by the IJB on 24 November 2021. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the Remuneration Report, Management Commentary, and Annual Governance Statement were all consistent with the financial statements and properly prepared in accordance with proper accounting practices.

The Covid-19 pandemic had a limited impact on audit evidence

15. The completeness and accuracy of accounting records and the extent of information and explanations that we required for our audit were not affected by the Covid-19 pandemic. The working papers provided to support the accounts were of a good standard and the audit team received support from finance staff which helped ensure the final accounts audit process ran smoothly.

The annual accounts were signed off in line with amended timescales permitted to reflect the impact of Covid-19

16. As a result of the continuing impact of Covid-19, the submission deadlines for IJB's audited annual accounts and annual audit reports were extended to 30 November 2021.

17. The unaudited annual accounts were received in line with our agreed audit timetable on 23 March 2021. This allowed us to sign off the annual accounts in line with the revised timescales.

Overall materiality is £2.3 million

18. We apply the concept of materiality in both planning and performing the audit and in evaluating the effect of any identified misstatements on the audit. We identify a benchmark on which to base overall materiality such as gross expenditure and apply what we judge to be the most appropriate percentage level for assessing materiality values.

19. The determination of materiality is based on professional judgement and is informed by our understanding of the entity and what users are likely to be most concerned about in the financial statements. In assessing performance materiality, we have considered factors such as our findings from previous audits, any changes in business processes and the entity's control environment including fraud risks.

20. Our initial assessment of materiality was carried out during the planning stage of the audit. We reviewed this assessment on receipt of the unaudited annual accounts and concluded it remained appropriate. Our 2020/21 materiality levels are summarised in [Exhibit 1](#).

Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£2.3 million
Performance materiality	£1.38 million
Reporting threshold	£115 thousand

Source: Audit Scotland

Appendix 2 identifies the main risks of material misstatement and our audit work to address these

21. [Appendix 2](#) provides our assessment of risks of material misstatement in the annual accounts and any wider audit dimension risks. These risks influence our overall audit strategy, the allocation of staff resources to the audit, and indicate how the efforts of the audit team are directed. [Appendix 2](#) also identifies the work we undertook to address these risks and our conclusions from this work.

We have no significant findings to report on the annual accounts

22. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the IJB's accounting practices covering accounting policies, accounting estimates and financial statements disclosures. We have no significant findings to report.

23. The unaudited accounts were updated for audit adjustments processed at partner bodies and also for an error in the treatment of funding. The total net impact of these adjustments was an increase of £0.337 million to the surplus for the year.

Financial and performance reporting in the Management Commentary has improved, however, the production of annual performance data was delayed

24. The Management Commentary that accompanies the financial statements should clearly explain how the IJB has performed against budget and how this is reconciled to the financial statements.

25. We included a risk in our annual audit plan relating to the structure and content of the management commentary due to issues noted on the unaudited annual accounts during 2019/20 audit. Additionally, we noted that Covid-19 may impact the availability of performance data for this section of the 2020/21 annual accounts.

26. Overall, the Management Commentary within the 2020/21 unaudited annual accounts was of an improved standard in terms of both the content and structure. However, information on non-financial performance was not included due to the delays in the preparation of the IJB's separate Annual Performance Report (see paragraph 62).

Recommendation (follow up from prior year)

Continue to improve the process for production of the Management Commentary, in particular the timely inclusion of performance data

Moderate progress was made on prior year recommendations

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

2. Financial management and sustainability

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

Main judgements

The IJB has appropriate and effective financial management arrangements in place and returned an underspend of £3.323 million against a budgeted breakeven outturn. This was partly due to the receipt of Scottish Government support for all additional Covid-19 costs.

Financial management could be improved by aligning the financial reporting of partners to enable a better understanding of costs across the partnership.

The IJB's medium-term financial plan is based on existing, pre-Covid-19, assumptions. On this basis, a savings requirement of £16-17.5 million is anticipated over the next 5 financial years. The board intends to undertake a full review of the medium-term financial plan as soon as feasibly possible.

The 2020/21 budget included planned savings to address the identified funding gap for the year

28. The IJB approved its 2020/21 budget in March 2021. The budget was set at net expenditure of £199.894 million, with a funding gap of £4.853 million. Actions to address this gap included savings from prescribing efficiencies and a planned reduction in reliance on temporary workforce.

29. The 2020/21 budget was set at the outset of the pandemic. Uncertainty over the impact of Covid-19 was noted but was understandably not factored into budget projections.

The IJB returned an underspend in 2020/21

30. The impact on public finances of the Covid-19 pandemic has been unprecedented, which has necessitated both the Scottish and UK governments providing substantial additional funding for public services as well as support for individuals, businesses and the economy. It is likely that further financial measures will be needed and that the effects will be felt well into the future.

31. The IJB returned an underspend of £3.323 million against its operational budget and overall surplus of £12.516 million taking into account all Covid-19 related funding received in 2020/21. (Exhibit 2).

Exhibit 2 2020/21 Financial Performance

IJB budget summary	£m
Health Services (NHS Forth Valley)	169.128
Social Care Services (Clackmannanshire Council)	17.326
Social Care Services (Stirling Council)	36.895
Total Net Expenditure	223.349
Funding	235.865
Net Increase in Reserves	12.516
Operational underspend (includes Covid-19 funding)	3.323
Other contributions to reserves	9.193

Source: Clackmannanshire and Stirling Integration Joint Board

32. There were a number of contributing factors to the underspend including:

- vacant posts;
- reduced non-pay expenditure due to suspension of services and reduced activity (for example, reduced spend on prescription drugs).

33. Scottish Government also provided the IJB with financial support for Covid-19 related costs including support for savings which were not fully delivered due to the impact of the pandemic. This additional support contributed greatly to the IJB returning an overall underspend for the year.

34. In total funding of £18.825 million was received in respect of Covid-19 from Scottish Government in 2020/21 (via partner body contributions). Much of this has been retained in reserves for spend in future periods.

Reserves increased by £12.516 million in 2020/21, however this position is anticipated to be temporary

35. The IJB operates one reserve, a General Fund reserve which is a resource backed reserved to be used to fund expenditure. The General Fund had a

closing balance of £14.212 million as at 31 March 2021. This was an increase of £12.516 million from the prior year.

36. £10.890 million of the reserves balance is earmarked for specific IJB priorities, of which £6.653 million is specifically for Covid-19 related actions or pressures. The IJB also created a contingency fund in the year, which totalled £3.323 million at 31 March 2021. The purpose of this reserve is to mitigate the impact of unexpected events.

37. The IJB approved a revised Reserves Policy and Strategy on 22 September 2021 which set the targeted range of general reserves as between 0.5% and 2% of annual budgeted expenditure. As noted in the IJB's 2020/21 Financial Report for the year, the total reserves position is in excess of the targeted range due to the additional Covid-19 mitigating funding received. When taken in isolation, the £3.323 million of uncommitted reserves held as contingency are within the targeted range.

38. The comparatively high level of reserves is anticipated to be short lived, with the IJB projecting that £9.064 million will be utilised in 2021/22 (including all Covid-19 reserves).

Budget monitoring processes are appropriate, but partner financial reporting should be aligned

39. Budget monitoring reports were submitted to meetings of the IJB throughout the year. The reports forecast the year end outturn position and give narrative on the financial pressures and areas of uncertainty. The final year outturn improved significantly in the final budget report of 2020/21 due to late allocations of Covid-19 related funding.

40. Financial information used to create budget monitoring reports is recorded at partner bodies (NHS Forth Valley and Clackmannanshire and Stirling councils). We highlighted in our 2019/20 annual audit report that this was largely based on the reporting styles for each of the three partner bodies, and that this makes understanding of the costs across the IJB as a whole more challenging. Budget monitoring reports are largely unchanged in 2020/21 and our recommendation therefore remains relevant.

Recommendation (follow up from prior year)

Align partner financial reporting to improve the efficiency of the IJB's financial monitoring and enable a better understanding of costs across the partnership

41. Overall, senior management and members of the Board receive regular and accurate financial information on the IJB's financial position and we have concluded that the IJB has appropriate budget monitoring arrangements in place.

A breakeven budget was set for the 2021/22 financial year, however this is contingent on the achievement of savings

42. The IJB considered its 2021/22 budget in March 2021, however the board decided to delay approval as partner bodies, which directly affect the IJB's available funding, had not yet set their own budgets. The IJB approved the 2021/22 budget in May 2021. A £4.976 million funding shortfall was identified, which is anticipated to be met by a combination of savings and additional funding from partners.

43. The IJB's transformation plan included £3.229 million of savings for 2021/22 including:

- Redesign of Learning Disability and Mental Health services
- Medicines optimisation
- Changes to Rural Models of Care
- "Grip and Control" actions at certain care homes

44. Many of these savings planned for 2021/22 were rolled forward from previous year, as they were undelivered. As at September 2021 management forecast that £2.500 million of the savings will be delivered leaving a potential shortfall of £0.729 million which will become an additional cost pressure in 2022/23.

The medium-term financial plan should be updated for the impact of Covid-19

45. The IJB approved a medium-term financial plan in March 2020, intending to update this each year as part of the budget setting process. The 2021/22 budget was approved by the board in March 2021, however reassessment of the medium-term financial plan was deferred.

46. Review of the medium-term financial plan was ultimately carried out by the Finance and Performance Committee and reported to the board in September 2021. The board agreed to continue the existing, pre-Covid-19, plan assumptions and to undertake a full review as soon as feasibly possible. On this basis, a savings requirement of £16-17.5 million is anticipated over the next 5 financial years.

47. In our 2019/20 annual audit report we highlighted that the medium-term financial plan should be updated to reflect the impact of Covid-19 at the earliest opportunity. As the plan has not been updated, this recommendation remains relevant in 2020/21.

Recommendation (follow up from prior year)

Update the Medium-Term Financial Plan to reflect the impact of Covid-19 at the earliest appropriate opportunity

Financial systems of internal control operated effectively

48. The IJB is reliant on the systems of its partner bodies, Clackmannanshire Council, Stirling Council and NHS Forth Valley, for its key financial systems, including ledger and payroll. All IJB transactions are processed through the respective partners' systems and all controls over these systems are within the partner bodies, rather than the IJB.

49. As part of our audit approach, we sought assurances from the external auditors of Clackmannanshire Council, Stirling Council and NHS Forth Valley (in accordance with ISA (UK) 402) and confirmed there were no significant weaknesses in the systems of internal controls for either the health board or the councils.

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

50. The IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. The IJB has a Code of Conduct in place to which members subscribe and the Members' Registers of Interest are publicly available on the IJB's website.

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

3. Governance, transparency, and Best Value

The effectiveness of scrutiny and oversight and transparent reporting of information. Using resources effectively and continually improving services.

Main judgements

The IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the Board. Governance arrangements operating throughout the Covid-19 pandemic have been appropriate and operated effectively.

The organisations planned review of its governance framework was paused due to the pandemic and the opportunity now exists for the IJB to re-engage the review process. Key areas of focus for the review include the integration scheme, scheme of delegation and counter-fraud policy.

The IJB has put in place appropriate arrangements to demonstrate the achievement of Best Value.

Detailed performance reporting to the board continued during the pandemic. Performance reporting could be improved through the addition of clear performance targets to allow assessment of how the IJB is performing relative to expectation.

Governance arrangements throughout the Covid-19 pandemic have operated effectively, however planned review of these arrangements was delayed

52. The IJB made changes to its governance arrangements in response to the pandemic. These have been set out in the Annual Governance Statement in the annual accounts and the key changes were:

- All IJB meetings and committees took place on via remote conferencing in 2020/21, members of the public were able to attend these virtual meetings; and
- In March 2020, the IJB agreed the delegation of urgent decision making authority to the Chief Officer, in response to the pandemic. This delegated authority was reapproved at subsequent IJB meetings and remained in place throughout 2020/21.

53. In our 2019/20 annual audit report we noted that the IJB was intending to update its governance framework, including reviewing the integration scheme. Much of the work was paused at the outset of the pandemic as management focussed on service delivery and this recommendation has not yet been actioned.

Recommendation (follow up from prior year)

As part of the review of the governance framework the IJB should look to update the supporting documents including the integration scheme, scheme of delegation and counter fraud policy

54. Overall, we consider that governance arrangements are appropriate and support effective scrutiny, challenge and decision making.

Arrangements are in place to secure Best Value

55. Integration Joint Boards have a statutory duty to make 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.

56. The IJB demonstrates how it is meeting its best value duties through its the progress the partnership is making towards delivering the priorities of its Strategic Improvement Plan and Transformation Plan, and through its financial performance reporting mechanisms.

57. The IJB acknowledges the need to improve its arrangements to provide assurance over the delivery of best value and has included an action within the Governance Statement of the Annual Accounts to address this.

58. Overall, the IJB is taking steps to provide better alignment between its strategic vision, financial planning and delivery of savings. This needs to be sustained in order to demonstrate that the IJB is meeting its best value duties.

Review of adult social care services

59. An independent review of adult social care services was published in February 2021. This was requested by the Scottish Government in September 2020 with the primary aim of the review being to recommend improvements to adult social care services in Scotland. The review made a number of recommendations including the set-up of a National Care Service for Scotland that is equal to the NHS and that self-directed support must work better for people with decisions being based on their needs, rights and preferences.

60. The IJB has assessed the review and reported on this to the Board. The IJB continues to monitor developments as a result of the review.

IJB performance reporting should be updated to include clear performance targets

61. The pandemic is expected to have had a substantial impact on performance measures, particularly for services which have been temporarily suspended, or are operating at a reduced level or have had to adapt to new ways of working.

62. 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. As in 2019/20, production of the IJB's Annual Performance Report was delayed in 2020/21. This is currently planned for publication in November 2021.

63. IJB service performance is monitored by the board through Quarterly Performance Reports. These reports contain a large amount of data on IJB operations, structured around IJB strategic priorities. Data is presented with many comparator months, which allows trends to be identified. However few targets are identified meaning it's not clear how the IJB is performing relative to expectations.

64. Performance reporting could be improved through the addition of clear performance targets to allow assessment of how the IJB is performing relative to expectation.

65. The content of performance reporting is currently being reviewed, with an updated Performance Management Framework being approved by the Board in November 2020.

Recommendation 1

Performance reporting could be improved through the addition of clear performance targets to allow assessment of how the IJB is performing relative to expectation

66. Reporting was continued throughout the pandemic, although reports for quarter 1 and 2 were delivered later than planned. In many areas demand for services dropped during the initial lock down in Spring 2020, meaning that measures such as the number of delayed discharges were comparatively low.

National performance audit reports

67. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2020/21 we published some reports which may be of direct interest to the IJB as outlined in [Appendix 3](#). Many of these reports were included on IJB Audit & Risk Committee meeting agendas during 2020/21.

Appendix 1

Action plan 2020/21

2020/21 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Performance Reporting Targets</p> <p>IJB performance reports are detailed, but lack benchmarks or targets to put the data in context.</p> <p>There is a risk that the IJB performance reports do not present a clear picture of IJB performance.</p>	<p>Performance reporting could be improved through the addition of clear performance targets to allow assessment of how the IJB is performing relative to expectation.</p>	<p>The requirement to identify and measure performance against agreed targets and indicators is acknowledged as an area requiring review and improvement. We will seek to agree a revised Integrated Performance Framework and monitoring arrangements.</p> <p>Head of Service, Strategic Planning and Health Improvement</p> <p>September 2022</p>

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>Management Commentary</p> <p>The structure and content of the management commentary could be improved to make the performance and financial information clearer.</p> <p>There is a risk that the information within the management commentary does not accurately capture the performance and financial information.</p>	<p>The IJB should review and update to improve the structure and content, including clearer performance and financial information and better highlight the organisational achievements for the year under review.</p> <p>2020/21 Update</p> <p>The structure and content of the management commentary was improved in the 2020/21 unaudited accounts. However, non-financial performance data</p>	<p>Partially complete</p> <p>We will seek, with support from constituent authorities, for Core Performance Indicator information and overview of partnership performance to be available earlier in the process in future years.</p> <p>Chief Finance Officer & Head of Service, Strategic Planning and Health Improvement.</p> <p>July 2022</p>

Issue/risk	Recommendation	Agreed management action/timing
	<p>was not included due to the delays in the production of the IJBs Annual Performance Report.</p> <p>Although this data was ultimately available for inclusion within the audit accounts, it was received very late within the audit process.</p> <p>Management should continue to improve their process for production of the Management Commentary, in particular the timely inclusion of performance data.</p>	
<p>Financial Management</p> <p>The finance teams of NHS Forth Valley, Stirling Council, and Clackmannanshire Council operate independently, use different financial systems, and report separately to the IJB Chief Finance Officer.</p> <p>There is a risk that financial monitoring data is not accurately accounted for.</p>	<p>The IJB should align partner financial reporting to improve the efficiency of the IJB's financial monitoring and enable a better understanding of costs across the partnership.</p> <p>2020/21 Update</p> <p>Financial reporting in 2020/21 is unchanged.</p>	<p>Outstanding</p> <p>Work is ongoing in developing more Integrated Financial Reporting however the impacts of the pandemic and onerous additional reporting requirements have limited progress. This remains a priority area for development.</p> <p>IJB Chief Finance Officer June 2022</p>
<p>Financial Sustainability</p> <p>The IJB has a savings requirement of £6.214 million per the 2020/21 budget settlement. Ongoing cost and demand pressures of approximately £19.660 million per year are projected over the next 5 years. These projections were made prior to the impact of Covid-19.</p> <p>The Covid-19 pandemic has introduced further financial challenges. The estimated additional cost of Covid-19 between March 2020 and</p>	<p>The IJB should update the MTFP to reflect the impacts of Covid-19 at the earliest appropriate opportunity.</p> <p>2020/21 Update</p> <p>The MTFP has not yet been updated for the impact of Covid-19.</p>	<p>Outstanding</p> <p>Levels of uncertainty in relation to expenditure, funding and certain aspects of policy (e.g. social care provider sustainability) have made this task challenging. An initial assessment of likely impacts has now been made as part of Covid cost reporting to Scottish Government and will be used to inform budget setting and MTFP refresh.</p> <p>Chief Finance Officer</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>March 2021 is £11.598 million.</p> <p>There is a risk that the IJB may not be able to deal with future financial challenges and deliver required savings without adversely impacting service delivery.</p>		<p>March 2022</p>
<p>Update of governance documents</p> <p>There are a number of policies and documents that have not been updated.</p> <p>There is a risk that the existing governance documents do not reflect current arrangements.</p>	<p>As part of the review of the governance framework the IJB should look to update the supporting documents including the integration scheme, scheme of delegation and counter fraud policy.</p> <p>2020/21 Update</p> <p>The scheme of delegation and counter fraud policy have not yet been updated.</p> <p>A review of the Integration Scheme has taken place and the IJB should continue to work with partners to assess if there is need to prepare and approve a revised Integration Scheme in 2022.</p>	<p>Outstanding</p> <p>Review and preparation and approval of revised Scheme of Delegation will be completed by March 2022 when we expect to remove the requirement for current Urgent Decision Making arrangements. We will also reconsider the requirement for a Counter Fraud Policy within this timeframe.</p> <p>Chief Officer & Chief Finance Officer</p> <p>March 2022.</p>

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual report and accounts and those relating our wider responsibility under the Code of Audit Practice.

Risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.</p>	<p>Detailed testing of journal entries.</p> <p>Review of accounting estimates.</p> <p>Evaluation of significant transactions that are outside the normal course of business.</p>	<p>Our audit work did not highlight any instances of fraud arising from management override of control.</p>
<p>2. Risk of material misstatement in the management commentary</p> <p>In our 2019/20 annual audit report we highlighted that the structure and content of the management commentary could be improved and that there is a risk that the information within the management commentary does not accurately capture the performance and financial information.</p> <p>Management agreed to review their approach to preparation of the</p>	<p>Review of 2020/21 management commentary, with a focus on the financial and performance information.</p>	<p>We concluded that structure and content of the management commentary within the 2020/21 was of an improved standard and met the statutory requirements.</p> <p>However, the production of annual performance data was delayed meaning it wasn't available until late in the audit process.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>management commentary. A full set of accounts has not yet been prepared under these new arrangements, and therefore the risk of material misstatement remains.</p> <p>Additionally, the impact of Covid-19 may reduce the availability of timely and reliable performance data and may compromise the content and accuracy of the management commentary.</p>		

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p>3. Financial sustainability</p> <p>The IJB has identified longer term financial challenges in previous years arising from cost and demand pressures and developed a savings plan in response.</p> <p>The Covid-19 pandemic has disrupted these savings plans, with more than 50% of the planned £4.853 million savings for 2020/21 being assessed as “at risk”. The IJB estimates that £14.687 million of expenditure has been incurred as a result of its Covid-19 response, much of which has been funded by the Scottish Government.</p> <p>Looking forward Clackmannanshire and Stirling Integration Joint Board’s ability to respond to longer term financial challenges has been disrupted by the COVID-19 pandemic. As a result, there</p>	<p>Review and assess year-end position and the progress and impact in delivering savings.</p> <p>Review and consider the medium-term financial plan and mobilisation plan.</p>	<p>The IJB continues to forecast a challenging medium term financial position, and intends to respond through its Transformation Plan.</p> <p>The Covid-19 pandemic adds additional pressure and uncertainty. The impact of this is not currently included within the IJB’s forecast.</p> <p>We recommend that the IJB updates its medium-term financial plan as soon as more clarity on the financial impacts of Covid-19 is obtained.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>is a continued risk to financial sustainability and the sustainability of services in future.</p>		
<p>4. Performance</p> <p>In 2020/21, the national response to the COVID-19 pandemic has significantly affected Clackmannanshire and Stirling Integration Joint Board's normal service provision.</p> <p>The continuing pressures of the pandemic, both operational and financial, result in a risk that Clackmannanshire and Stirling Integration Joint Board's will not be able to meet the performance expectations of its stakeholders.</p> <p>The pandemic may have also disrupted the IJB's ability to monitor its performance.</p>	<p>Review of progress in achieving targets, understanding the impact of COVID-19 on non-financial performance and the actions being taken to manage performance.</p> <p>Review of the arrangements to collate performance data.</p>	<p>We confirmed that the IJB continued to monitor and report performance throughout the pandemic, although reporting was sometimes delayed.</p> <p>We recommend that performance reports are updated to include clear performance targets.</p>

Appendix 3

Summary of national performance reports 2020/21

April

[Affordable housing](#)

June

[Highlands and Islands Enterprise: Management of Cairngorm mountain and funicular railway](#)

[Local government in Scotland Overview 2020](#)

July

[The National Fraud Initiative in Scotland 2018/19](#)

January

[Digital progress in local government](#)

[Local government in Scotland: Financial overview 2019/20](#)

February

[NHS in Scotland 2020](#)

March

[Improving outcomes for young people through school education](#)

Clackmannanshire and Stirling Integration Joint Board

2020/21 Annual Audit Report – Proposed

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

Clackmannanshire & Stirling Integration Joint Board Audit & Risk Committee

22 November 2021

Agenda Item 7

Draft Best Value Statement 2020 / 2021

For Approval

Paper Approved for Submission by:	Annemargaret Black, Chief Officer
Paper presented by	Ewan Murray, Chief Finance Officer
Author	Lesley Fulford, Senior Planning Manager
Exempt Report	No

Directions	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

Purpose of Report:	Purpose of this report is to present a draft Best Value statement in relation to how the IJB has delivered Best Value arrangement during financial year 2020/21.
---------------------------	--

Recommendations:	<p>The Audit and Risk Committee is asked to:</p> <p>1) Discuss and approve the draft Best Value statement 2020 / 2021 (appendix 1).</p>
-------------------------	---

1. Background

- 1.1. Audit Scotland defines best value as “[ensuring that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public](#)”.¹

2. Best Value Themes

- 2.1. The best value themes as set out in the [Local Government in Scotland Act 2003 Best Value: Revised Statutory Guidance 2020](#) are²:
- Vision and leadership
 - Governance and accountability
 - Effective use of resources
 - Partnerships and collaborative working
 - Working with communities
 - Sustainability
 - Fairness and equality

3. Best Value

- 3.1. Integration Joint Boards (IJBs) have a statutory duty to make arrangements to secure best value. To achieve this, IJBs are required to have effective arrangements in place for scrutinising performance, monitoring progress towards achieving strategic objectives and holding partners to account.

¹ [Best Value | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk)

² [Best Value: revised statutory guidance 2020 - gov.scot \(www.gov.scot\)](https://www.gov.scot)

- 3.2. Part of evidencing the work that the IJB does in relation to this is through officers reviewing and updating the Best Value Statement each year as part of the annual accounts process.
- 3.3. The statement will consider Clackmannanshire and Stirling's position in relation to 10 key Audit Scotland Best Value prompts. Based on this statement and placing appropriate reliance on the Best Value arrangements in place through the Councils and Health Board.
- 3.4. The Committee is asked to discuss and approve the draft Best Value statement 2020 / 2021.

4. Consultation

- 4.1. This report was prepared in consultation with the Chief Finance Officer.

5. Conclusions

- 5.1. This report has summarised the approach being taken to Best Value in Clackmannanshire and Stirling IJB for 2020/21.

6. Appendices

Appendix 1 – Draft Best Value Statement 2020/21

Fit with Strategic Priorities:	
Care Closer to Home	<input type="checkbox"/>
Primary Care Transformation	<input type="checkbox"/>
Caring, Connected Communities	<input type="checkbox"/>
Mental Health	<input type="checkbox"/>
Supporting people living with Dementia	<input type="checkbox"/>
Alcohol and Drugs	<input type="checkbox"/>
Enabling Activities	
Technology Enabled Care	<input type="checkbox"/>
Workforce Planning and Development	<input type="checkbox"/>
Housing and Adaptations	<input type="checkbox"/>
Infrastructure	<input type="checkbox"/>
Implications	
Finance:	As detailed in the best value statement.
Other Resources:	As detailed in the best value statement.
Legal:	As a public body the Integration Joint Board has a statutory duty to secure best value.
Risk & mitigation:	
Equality and Human Rights:	The content of this report does not require a EQIA
Data Protection:	The content of this report does not require a DPIA
Fairer Duty Scotland	<p>Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.</p> <p>The Interim Guidance for public bodies can be found at: http://www.gov.scot/Publications/2018/03/6918/2</p> <p>Please select the appropriate statement below:</p> <p>This paper does not require a Fairer Duty assessment.</p>

Appendix 1 – IJB Best Value – Draft Statement 2020/21

Context

The COVID-19 pandemic started in March of 2020 and has been ongoing for over 18 months now. The HSCP have ensured that health and social care services were able to continue during this time, in line with Scottish Government guidance.

As at October 2021 the position has become more challenging due, in particular, to additional service demand and workforce constraints. Work is underway to review packages of care in community to support access to care and discharges from the acute hospital.

	Audit Scotland Prompt	Response
1	Who do you consider to be accountable for securing Best Value in the IJB?	<p>As a public body the IJB is accountable for securing best value.</p> <p>The IJB issues directions to the three constituent bodies to commission and procure services on its behalf.</p> <p>The Chief Officer is accountable to the Integration Joint Board; however, this does not remove accountability in the three constituent bodies.</p> <p>Commissioning and procurement services are evaluated using Best Value principles during procurement by constituent bodies.</p>
2	How do you receive assurance that the services supporting the delivery of the strategic plan are securing Best Value?	<p>There are a range of meetings where this is on the agenda, such as:</p> <ul style="list-style-type: none"> • Integration Joint Board • Strategic Planning Group • Finance and Performance Committee • Audit and Risk Committee – responsible for ensuring best value for delegated functions. • Clinical and Care Governance Group

	Audit Scotland Prompt	Response
		<ul style="list-style-type: none"> • Transforming Care Board • HSCP Senior Leadership Team (SLT) • Corporate Management Teams of Constituent Bodies <p>Performance is a regular agenda item on these Boards, Groups and Committees and with particular reference to Best Value. Systems of control and scrutiny are undertaken through internal audit and the finance and performance Committee.</p> <p>Directions from the IJB articulate the requirement to deliver commissioning and procure services in line with the IJBs Strategic Plan. This delivery is scrutinised by: Internal Audit, Finance and Performance Committee and the Audit and Risk Committee.</p> <p>In addition, the IJB receive an annual audit report from their external auditors, this includes wider dimensions of audit including Best Value.</p>
3	Do you consider there to be sufficient buy-in to the IJB's longer term vision from partner officers and members?	<p>Yes. The Integration Joint Board has good working relationships with its members and officers, along with officers from Constituent Partners although improvements are required and sought as part of continuous improvement approaches.</p> <p>This support is evidenced through the Transforming Care Board and the collaborative approach taken to changing the way we deliver Health and Social Care services locally. There are also strong linkages through Community Planning Partnerships to wider objectives such as Community Wealth Building and Wellbeing.</p>
4	How is value for money demonstrated in the decisions made by the IJB?	<p>All IJB papers have sections regarding financial, legal, risk, equality assessment, data protection impact assessment and Fairer Duty Scotland assessment. This is alongside a section regarding fit with strategic priorities and enabling activities.</p> <p>The IJB engages in healthy debate and discussion around proposed decisions and proposals. In addition, IJB directions to the Councils and Health Board</p>

	Audit Scotland Prompt	Response
5	Do you consider there to be a culture of continuous improvement?	<p>require them to deliver services in line with Best Value principles</p> <p>Yes – IJB and SPG development sessions over the past 12 months have sought to enhance the operational effectiveness of the IJB and SPG and of the services the HSCP delivers.</p> <p>Many of these development sessions have been focussed around service redesign and improvement plans within services to ensure the IJB and SPG members are fully informed and engaged in our continuous improvement process. Both the IJB and SPG have staff-side representation, so staff and trade unions are also fully involved in shaping continuous improvement.</p> <p>The purpose of the Transforming Care Board is to:</p> <ol style="list-style-type: none"> 1) To provide appropriate governance and ensure delivery of the Health & Social Care Partnership's (HSCP) Transformational Objectives as directed and/or delegated by the Integration Joint Board / Finance & Performance Committee; 2) To provide advice, feedback, and approval on transformational opportunities that will achieve improved service user outcomes and quality improvement as either quick wins, medium and/or long term opportunities which are anchored back to the Strategic Plan; 3) To successfully manage and prioritise change activity with particular focus on transformation delivery, ICT supply, risk management, personnel, budgetary and performance issues as delegated by the Integration Joint Board / Finance & Performance Committee; 4) To ensure benefits realisation is maximised and delivered successfully; 5) To ensure all regulatory and internal/external audit requirements are met in terms of the transformation portfolio, programmes and projects (i.e. Audit Scotland Transformation reviews, Gateway Reviews from Scottish Government/Centres of Excellence etc).
6	Have there been any service reviews undertaken since establishment – have improvements been identified? Is there any evidence of improvements in services and/or reductions in pressures as a	<p>A number of reviews have been undertaken in the financial year.</p> <ul style="list-style-type: none"> • A Review of Frontline Adult Social Care • A best value review of Care at Home Service provision.

	Audit Scotland Prompt	Response
	result of joint working?	<ul style="list-style-type: none"> • Community consultation on the Rural Model of Care focused on the communities of Rural Southwest Stirling during the period from early 2020 to May 2021. HSCP and Stirling Council used a community development approach to engage and work collaboratively with individuals, groups and organisations throughout rural southwest Stirling to explore and develop co-produced solutions to increase the availability of community based solutions. Including transport, increasing community based activities including access to a range of physical activity opportunities and collectively agreeing outcomes and agreeing robust monitoring processes when commissioning community based services and supports. • Recruitment of a Head of Mental Health to develop a FV strategy on mental health which will include action 15 resources and actions. • PCIP – the third iteration of the plan was submitted to Scottish Government and by March 22 it will be delivered to that point, however it is underfunded and more resource is required. • Covid Re-mobilisation Plans.
7	Have identified improvement actions been prioritised in terms of those likely to have the greatest impact?	<p>Yes but activity to take forward improvement actions has been impacted by the pandemic.</p> <p>The Partnerships Strategic Improvement Plan seeks to articulate the improvement plans and actions in a single consolidated plan.</p>
8	What steps are taken to ensure that quality of care and service provided is not compromised as a result of costs saving measures?	<p>Clinical and care staff are on the IJB and SPG as well as being involved in all planning groups and the Clinical and Care Governance Group. Potential implications of cost saving measures are documented within the impact section of the paper, i.e. financial, legal, risk, equality assessment, data protection impact assessment and Fairer Duty Scotland assessment.</p> <p>The Clinical and Care Governance Group focusses on quality of care, safety, effectiveness, person-centeredness, timeliness, efficiency, and equity.</p> <p>Demographic changes are impacting an already under pressure system of health and care. The next Strategic Plan will need to consider what actions it will</p>

	Audit Scotland Prompt	Response
		implement to strengthen the response.
9	Is performance information reported to the board of sufficient detail to enable value for money to be assessed?	The IJB has oversight of performance both operationally and financially through regular finance and performance reports. It is acknowledged both financial and performance reporting requires to further evolve and develop.
10	How does the IJB ensure that management of resources (finances, workforce etc.) is effective and sustainable?	<p>Regular budget and performance monitoring reports at the IJB give oversight of this. All IJB & Committee reports have a financial section outlining the impact of any changes or proposals and require to highlight how proposals assist in delivering demonstrable progress against Partnership priorities.</p> <p>Strategic priorities are set out in the Strategic Plan 2019 – 2022 and these are:</p> <ul style="list-style-type: none"> • Care closer to home • Primary Care Transformation • Caring, Connected Communities • Metal Health, • Supporting people living with Dementia • Alcohol and Drugs

Clackmannanshire & Stirling Integration Joint Board Audit and Risk Committee

22 November 2021

Agenda Item 8

Clackmannanshire & Stirling Integration
Joint Board – 20/21 Annual Accounts

For Consideration and Recommendation

Paper Approved for Submission by:	Ewan Murray, Chief Finance Officer
Paper presented by	Ewan Murray, Chief Finance Officer
Author	Ewan Murray, Chief Finance Officer
Exempt Report	No

Directions	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

Purpose of Report:	The purpose of this report is to present the 2020/21 Audited Annual Accounts to the Integration Joint Board Audit and Risk Committee for consideration.
---------------------------	---

Recommendations:	<p>The Audit and Risk Committee is asked to:</p> <ol style="list-style-type: none"> 1) Consider the audited 2020/21 annual accounts. 2) Recommend the 2020/21 annual accounts to the Integration Joint Board for approval, signing and publication on the IJB website.
-------------------------	--

1. Background

- 1.1. The Local Authority Accounts (Scotland) Regulations 2014 places a statutory obligation on the Integration Joint Board to approve and publish the final accounts normally by 30 September each year.
- 1.2. The provisions of the Coronavirus Act allows some flexibility to postpone publication of the 2020/21 accounts. In order for the preparation of final accounts and external audit process to operate effectively this flexibility was required as discussed previously with the Audit and Risk Committee. The Chief Finance Officer, on behalf of the IJB, placed notification of this postponement on the partnership website as is required.
- 1.3. The annual accounts were prepared by the Chief Finance Officer in line with the guidance on accounting for the integration of health and social care published by the Local Authority Scotland Accounts Advisory Committee (LASAAC).

2. Considerations

- 2.1. The Clackmannanshire & Stirling Integration Joint Board Annual Accounts 2019/20 are attached for consideration.
- 2.2. The accounts detail the financial performance of the partnership alongside an overview of wider performance through the Core Suite of Integration Indicators. It is therefore suggested the accounts are read in conjunction with the Annual Performance Report which will be considered by the IJB at its November meeting.

- 2.3. The Audit and Risk Committee considered the unaudited accounts in June 2020. There were a number of revisions between the unaudited and audited accounts. The key changes included:
 - 2.3.1. Development of the management commentary including incorporation of and overview of performance from the published Annual Performance Report.
 - 2.3.2. Development of the Annual Governance Statement including reflection of the assurance drawn from the Annual Internal Audit Report
 - 2.3.3. Updating the governance action plan and agreeing this with the Partnership Senior Leadership Team.
 - 2.3.4. Adjustments to core financial statements to reflect adjustments during audit processes to Stirling Council and NHS Forth Valley accounts and correction of an error in relation to IJB reserves held by Clackmannanshire Council. The net impact on these adjustments resulted in an increase in the operational underspend and therefore IJB reserves of £0.337m.
- 2.4. The Annual Audit Report (AAR) will also be presented to the November 2021 Integration Joint Board meeting and the issues and recommendations contained therein should be considered alongside the accounts.
- 2.5. Subject to the Audit and Risk Committee considerations the accounts will be presented to the IJB for approval on 24 November 2021 and signing thereafter.

3. Appendices

Appendix 1 – 2020/21 Audited Accounts

Fit with Strategic Priorities:	
Care Closer to Home	<input checked="" type="checkbox"/>
Primary Care Transformation	<input checked="" type="checkbox"/>
Caring, Connected Communities	<input checked="" type="checkbox"/>
Mental Health	<input checked="" type="checkbox"/>
Supporting people living with Dementia	<input checked="" type="checkbox"/>
Alcohol and Drugs	<input checked="" type="checkbox"/>
Enabling Activities	
Technology Enabled Care	<input checked="" type="checkbox"/>
Workforce Planning and Development	<input checked="" type="checkbox"/>
Housing and Adaptations	<input checked="" type="checkbox"/>
Infrastructure	<input checked="" type="checkbox"/>

Implications	
Finance:	The Annual Accounts detail the financial performance of the partnership for 2020/21
Other Resources:	The management commentary within the accounts details principal activities and key performance issues within the financial year within the context of delivering the aims of the Strategic Plan.
Legal:	The preparation and publication of the Integration Joint Boards Annual Accounts is a statutory requirement.
Risk & mitigation:	The Annual Accounts contains commentary in relation to financial risk for the Integration Joint Board.
Equality and Human Rights:	The content of this report does not require a EQIA
Data Protection:	The content of this report does not require a DPIA
Fairer Duty Scotland	<p>Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.</p> <p>The Interim Guidance for public bodies can be found at: http://www.gov.scot/Publications/2018/03/6918/2</p> <p>Please select the appropriate statement below:</p> <p>This paper does not require a Fairer Duty assessment.</p>

**Clackmannanshire and Stirling Integration Joint Board
2020/21 Annual Accounts**



Contents

Management Commentary	3
Statement of Responsibilities	28
Remuneration Report	30
Annual Governance Statement.....	34
Comprehensive Income and Expenditure Statement	43
Movement in Reserves Statement	44
Balance Sheet.....	45
Notes to the Financial Statements	46
2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted ..	48
3. Critical Judgements in Applying Accounting Policies	48
4. Events After the Reporting Period	49
5. Expenditure and Income Analysis by Nature	49
6. Taxation and Non-Specific Grant Income	50
7. Debtors.....	50
8. Creditors	50
9. Provisions	50
10. Usable Reserve: General Fund.....	51
11. Related Party Transactions	53
12. Expenditure Analysis	56
Independent Auditor’s Report	58

Management Commentary

Introduction & Purpose

This publication contains the financial statements for the financial year from 1 April 2020 to 31 March 2021.

The Management Commentary outlines the key messages in relation to the IJBs financial planning and performance for the year 2020/21 and how this supports delivery of the IJBs strategic priorities as defined in the 2019-2022 Strategic Commissioning Plan. This commentary also takes a forward look and outlines future plans for the IJB and the challenges and risks we will face as we endeavour to meet the needs of the population of Clackmannanshire and Stirling.

Understandably, the continuing and future impacts of the Covid 19 pandemic features heavily in the commentary.

The IJB is responsible for the strategic planning and commissioning of Adult Social Care Services, Community and Family Health Services, and strategic plan of large hospital services with NHS Forth Valley and Falkirk Integration Joint Board. These large hospital services continue to be operationally managed by NHS Forth Valley as part of pan Forth Valley arrangements.

The IJB and the Health and Social Care Partnership (HSCP) Senior Management Team would wish to take this opportunity to convey thanks for the tremendous work that staff, both directly employed and commissioned through providers of health and social care services, have done to deliver services to our citizens during the most challenging of years.

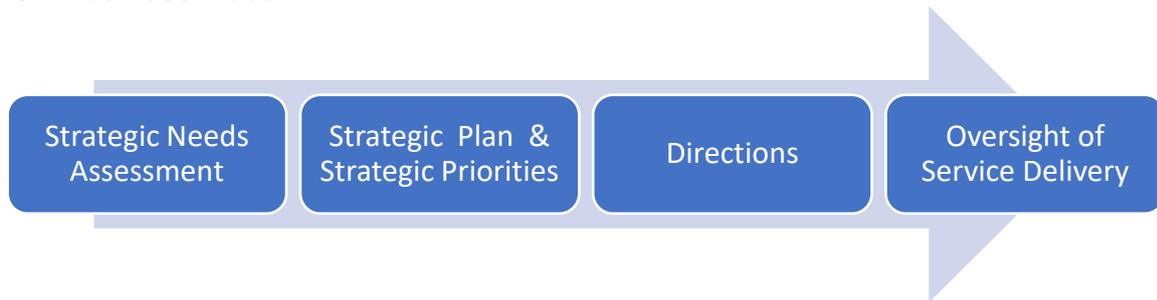
Role and Remit of the Clackmannanshire and Stirling Integration Joint Board

The Clackmannanshire and Stirling Integration Joint Board (IJB) was formally established in October 2016 through the legal partnership agreement between NHS Forth Valley and Clackmannanshire and Stirling Councils known as the Integration Scheme.

The IJB has responsibility for the strategic planning and commissioning of a wide range of health and adult social care services within the Clackmannanshire and Stirling area. The functions delegated to the IJB, under the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) are detailed within the Integration Scheme <https://clacksandstirlinghscp.org/about-us/integration-scheme/>.

Clackmannanshire and Stirling IJB is unique in Scotland as the only IJB consisting of 2 local authorities and one NHS Board.

IJB Business Model



Under the requirements of the Act, Local Authorities and NHS Boards are required to review Integration Schemes within five years of the scheme being approved in Parliament. With Clackmannanshire and Stirling, work was undertaken during 2020/21 to review the scheme and identify required updates. As a result of the exceptional circumstances in relation to Covid 19 and the changing policy landscape in relation to the Independent Review of Adult Social Care it has been agreed that work on a revised Integration Scheme be paused till at least June 2021.

Clackmannanshire and Stirling Health and Social Care Partnership

The Clackmannanshire and Stirling Health and Social Care Partnership population is approximately 146,000 and the partnership provides services over an area of 1454 square miles with urban centres around Stirling and Alloa and very rural areas to the North and West of Stirling including a significant element of the Loch Lomond and Trossachs National Park.



The age distribution of the population of Clackmannanshire and Stirling compared to Scotland is illustrated below.

Figure 2.1a: Clackmannanshire & Stirling Age Distribution compared to Scotland

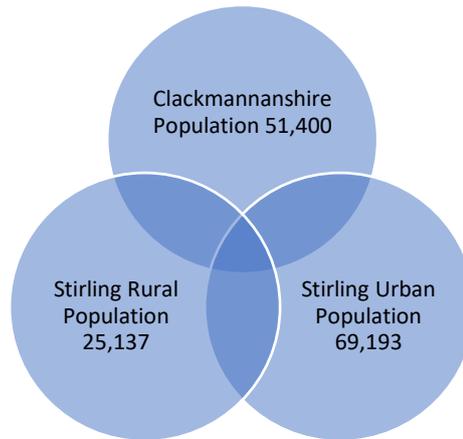


The partnerships Strategic Plans are based on the assessment of the health and care needs of the population called a Strategic Needs Assessment. A Strategic Needs Assessment seeks to build a clear understanding of the health and care needs of the population, from the perspective of stakeholders. The partnership developed a comprehensive Strategic Needs Assessment to inform the initial 2016-2019 Strategic Plan. In order to ensure the 2019-2022 Strategic Needs Assessment was appropriately informed a focused update on the Strategic Needs Assessment was undertaken and published in November 2018.

Our Strategic Needs Assessments highlights a number of key messages for the partnership population as a whole and for planning for health and care at a locality level:

- We have an ageing population (All localities – Stirling Rural locality has a larger older population)
- It is projected that Clackmannanshire and Stirling will have growing numbers of individuals living with long term conditions, multiple conditions and complex needs.
- Supporting unpaid carers is a priority (All localities)
- Reducing unplanned, emergency, hospital care will benefit the service as well as the individual (A&E Attendances are higher in the Stirling Urban Locality)
- Reducing behaviours such as smoking, alcohol consumption, drug use and poor diet could have a positive effect on an individual's health. (Drug related hospital admissions have risen significantly in the Clackmannanshire locality)
- There are significant differences in the issues affecting health and social care within each locality including socio-economic issues (28% of the Clackmannanshire Locality population are in most deprived quintile)

There are 3 localities within the partnership:



We have developed locality profiles with key findings for each of our localities to better understand the differing needs and challenges in each and target responses in each.



Integration Joint Board Vision, Strategic Commissioning Plan and Priorities

The vision of Clackmannanshire and Stirling Health and Social Care Partnership is:

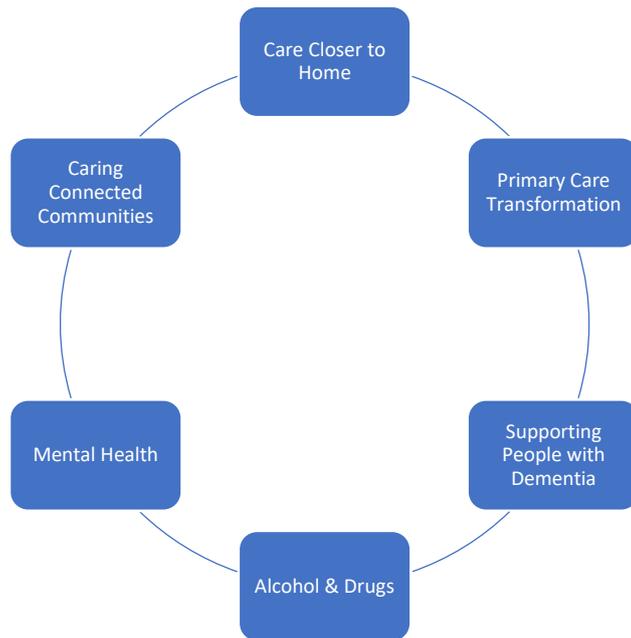
**To enable people to live full and positive lives
within supportive communities**

The vision is based on the Partnership Principles, which are to ensure that services are provided in a way which:

- Are integrated from the point of service users
- Take account of the particular needs of different service users
- Respects the rights and takes account of the dignity of service users
- Protects and improves quality and safety
- Are planned and led locally in a way which is engaged with communities
- Anticipates needs and prevents them arising where possible
- Makes best use of available facilities, people and other resources

The Integration Joint Board approved the 2019-2022 Strategic Commissioning Plan in March 2019. Financial year 2020/21 therefore reflects the second year of the current plan. The plan built on the priorities within 2016 to 2019 Strategic Plan informed by focused refresh of the Strategic Needs Assessment for the adult population and an extensive consultation and engagement process with the public and stakeholders.

As a result of this the approved key priorities for 2019 to 2022 are:



The partnerships 'plan on a page' below illustrates how the partnership vision, priorities, enabling activities and strategies and initiatives to deliver change align with the partnership principles detailed above.

Vision	Priorities	Enabling Activities			Strategies and Initiatives to deliver change	
...to enable people in the Clackmannanshire and Stirling Health & Social Care Partnership area to live full and positive lives within supportive communities	Care Closer to Home	Technology Enabled Care	Workforce Planning and Development	Housing / Adaptations	Infrastructure	Intermediate Care Strategy
	Primary Care Transformation					Primary Care Improvement Plan
	Caring, Connected Communities					Carers (Scotland) Act 2016 Community Empowerment (Scotland) Act 2015 Free Personal Care for under 65's 'A Connected Scotland: our strategy for tackling isolation and loneliness and building stronger social connections' Public Health Priorities for Scotland
	Mental Health					Mental Health Strategy
	Supporting people living with Dementia					Dementia Strategy
	Alcohol and drugs					Forth Valley ADP Strategy

Delivery plans continue to be developed and implemented to deliver against the priorities in a sustainable manner aligned to the Transforming Care Programme. The Strategic Commissioning Plan is supplemented by regular reports to the Integration Joint Board on Transforming Care, Governance, Finance and Performance.

The Strategic Commissioning Plan can be found here:
<https://clacksandstirlinghscp.org/about-us/strategic-plan/>

Covid 19 – Response, Mobilisation and Re-mobilisation

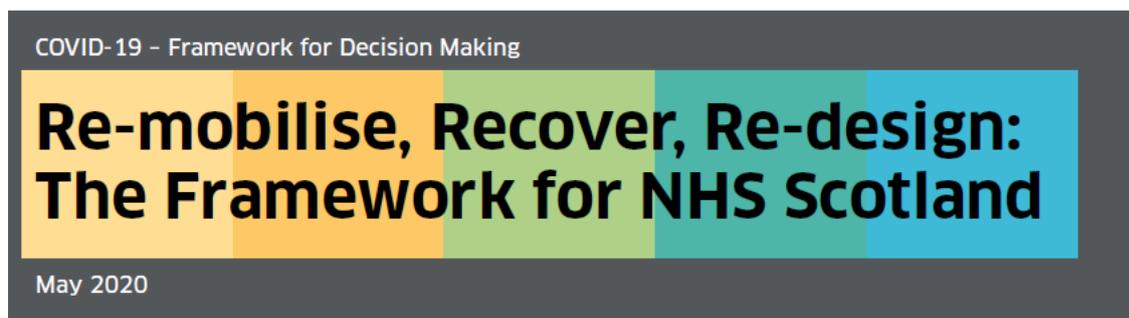
The financial year 2020/21 was, of course, dominated by the impacts of the Covid 19 pandemic for the partnership.

Initial focus was placed upon:

- developing and actioning the initial Partnership Local Mobilisation Plan (LMP) including urgent service prioritisation, rapid service redesign, mobilisation and contingency planning with a 'Community First' focus
- maximising continuance and continuity of care and support in the community
- ensuring adequate capacity for potential surge in bed requirements
- minimising delayed discharges
- establishing enhanced supports to care homes including development of the Care Home Assurance Team (CHART) and care home assurance arrangement through the Care Home Strategy Group
- developing and enhancing wellbeing supports for staff
- taking steps to ensure adequate workforce availability including redeploying workforce where required
- ensuring urgent decision making arrangements were put in place to support rapid decision making within an agreed governance framework, developing approaches to conducting business virtually where possible and reporting progress to the IJB
- Developing regular staff, IJB member and elected member briefings to keep abreast of developments and key information
- active involvement in corporate Incident Management Team (IRT) arrangements across partners including close working with NHS Forth Valley's Public Health Team
- establishing two local hubs to ensure supply and distribution of Personal Protective Equipment (PPE)
- working across local and national networks to co-ordinate responses, keep abreast of developments and share learning
- establishing social care provider support arrangements locally based on nationally agreed principles
- liaison with Scottish Government colleagues to inform financial requirements and support discussions with HM Treasury.

As the year progressed living with and delivering services in a Covid environment became the norm and approaches required to be continually adapted.

Our approach was aligned to the NHS Scotland Covid 19 Framework published on 31 May 2020: Re-mobilise, Recover, Re-design and our existing strategic priorities.



Our ongoing approach was presented to the IJB in March 2021 within a cohesive Re-Mobilisation Plan. The re-mobilisation plan reiterated that the continuing responses to the pandemic do not constitute a shift in the strategic direction of the HSCP but a need to be agile, responsive and continue to rapidly redesign aspects of service delivery.

Principal Activities & Key Achievements in 2020/21

During 2020/21 the key activities and achievements of Clackmannanshire and Stirling Integration Joint Board included:

- Gaining approval for and implementing the initial Covid 19 Local Mobilisation Plan (LMP) and responses detailed under Covid 19 – Response, Mobilisation and Remobilisation
- Developing, periodically updating and monitoring the Strategic Improvement Plan (SIP) as a consolidated, cohesive and comprehensive single partnership improvement plan
- Continuing to significantly progress implementation of the Primary Care Improvement Plan incorporating implementation of the General Medical Services Contract Arrangements and Mental Health Action 15 plans.
- Further development of the Transforming Care Programme overseen by the Transforming Care Board as the key delivery vehicle to modernise and transform integrated service delivery to improve outcomes for citizens
- Developing and Beginning to Implement a Review of Frontline Adult Social Care to improve outcomes and address the implementation gap
- Taking actions to substantially address the operational overspends in relation to the Bellfield Centre within the Stirling Health and Care Village.
- Establishing monthly financial ‘Grip and Control’ meetings to enhance financial management and budgetary control
- Further developing and updating the Strategic Improvement Plan as the key consolidated improvement plan for the partnership.
- Reviewing the Terms of Reference and membership of the Strategic Planning Group to align its role and business more closely to the Strategic Priorities, Strategic Commissioning and Transforming Care Programme. The Strategic Planning Group is now open to the public enhancing transparency and supporting our co-productive approaches.
- Refreshing our approaches to Locality Planning and Engagement and Participation.

- Further developing strategic relationships including the partnerships role in leading on the Community Wellbeing Agenda in Community Planning Partnerships.
- Further developing our approach to Strategic Needs Assessment through work on understanding of impacts of disease at partnership and locality levels.
- Developing Integrated Commissioning Arrangements
- Agreeing delegation of authority for the Alcohol & Drugs Partnership
- Supporting appropriate Working from Home arrangements for staff who can effectively function remotely. This included targeted investment in remote working capabilities.
- Securing full financial support from Scottish Government for the financial implications of Covid 19 including the impact on the planned programme of financial savings.
- Our Annual Performance Report fully details the impacts covid had on Performance. From the Key Performance Indicators information detailed in the performance section specific covid related impacts can be observed in relation to:
 - Emergency Admissions
 - Emergency Bed Days
 - Readmissions
 - Bed Days in Hospital when ready to be discharged

Forward Look: Changing Policy Landscape for Future Delivery of Health and Social Care

In September 2020 the Scottish Government commissioned the Independent Review of Adult Social Care chaired by Derek Feeley, a former Scottish Government Director General for Health and Social Care and Chief Executive of NHS Scotland.



The primary aim of the review was to recommend improvements to adult social care in Scotland, primarily in terms of the outcomes achieved by and with people to use services, their carers and families, and the experience of people who work in adult social care. The review took a human rights based approach.

The report from the review incorporated 53 recommendations including recommendations on establishing a National Care Service, Direct Funding of reformed IJBs, Options for Raising

Revenues to increase investment in Adult Social Care and significant changes in accountability for Adult Social Care.

The review was debated in the Scottish Parliament on 16 February 2021 and the establishment of a National Care Service was incorporated within the manifesto of the new Scottish Government.

The Scottish Government conducted a wide consultation on the establishment of a National Care Service between 9 August and 2 November 2021 and detail on the future policy and funding approach is now awaited.

2020/21 Annual Accounts

The Accounts report the financial performance of the Integration Joint Board. Its main purpose is to demonstrate the use of the public funds available for the delivery of the Integration Joint Board's vision and priorities as set out in the Strategic Commissioning Plan.

The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2020/21 Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting and the Local Authority Accounts (Scotland) Regulations 2014.

For financial year 2020/21 a surplus of £12.516m has been declared reflecting the net increase in reserves held between 1 April 2020 and 31 March 2021.

At 31 March 2021 the Integration Joint Board holds £14.212m of reserves which are earmarked for use in future years.

The level of reserves held at 31 March 2021 requires to be viewed as exceptional as a result of:

- Covid 19 allocations from Scottish Government. The balance of covid funding held in IJB reserves at 31 March 2021 will be the first call on Covid 19 exceptional expenditure in 2021/22 and is anticipated to be fully utilised in the year.
- Slippage on expenditure in relation to Scottish Government policy priorities including Primary Care and Mental Health Transformation.
- The financial position not requiring operational overspends to be offset by Transformation Funding as in previous years, and this funding therefore being used to create a Transformation Earmarked Reserve of £1.183m to sponsor the Transformation Programme in 2021/22 and beyond.
- Additional allocations from Scottish Government for specific purposes in the later part of 2020/21 including the allocation of a £0.512m Community Living Change Fund for use over financial years 2021/22 to 2023/24.

The table below summarises the movement in reserves from 2019/20:

	£m
Reserves at 1 April 2020	1.696
Net Increase in Reserves	12.516
Reserves at 31 March 2021	14.212

The reserves held at 31 March 2021 are across 3 broad categories as summarised in the table below:

	£m
General Reserves	3.323
Earmarked Reserves: Balance of Scottish Government Covid Funding	6.642
Other Earmarked Reserves	4.247
Reserves at 31 March 2021	14.212

A full analysis of reserves and movements therein is provided within the financial statements.

Whilst the reserves position at 31 March 2021 is exceptional due to the issues detailed above this does bring the partnership into a position where it has a degree of general reserve to assist in managing unforeseen future events and financial risk and permits Transformation Funding to be focussed on its intended purpose. This is consistent with the aims of IJBs budget strategy approved along with the Medium Term Financial Plan in March 2020 and effectively accelerates the implementation of elements of the budget strategy.

Performance Reporting

The Integration Joint Board continues to further develop its performance management culture throughout the Partnership through developing over time ways to demonstrate improved outcomes for citizens, best value for the use of public money and evidence of progress in relation to the agreed Strategic Plan Priorities.

The Integration Joint Board receives a performance report at each meeting which along with financial reports and reporting on the Transforming Care Programme, gives a rounded view of the overall performance, financial sustainability and progress in implementing the Strategic Plan priorities of the Partnership.

Taken together information on key performance indicators, measurable progress in delivering the priorities of the Strategic Plan and financial performance collectively aim to demonstrate best value within a culture of continuous improvement.

The published Annual Performance Reports for the Partnership, including those for previous years, can be found here <https://clacksandstirlinghscp.org/about-us/annual-performance-report/>

The 2020/21 report represents the 5th Annual Performance Report for the Partnership. It is acknowledged the approach to, and quality of performance reporting will continue to develop over time and that the 2020/21 report was developed amidst managing the continuing demands of the COVID19 pandemic including challenges with availability of information.

The 2020/21 Annual Performance Report will be published by the end of November 2021 and, when published, will detail progress in relation to the partnership priorities along with summary and detailed performance information.

An overview of the key performance issues, from the Annual Performance Report, is provided in the following pages.

Impacts of Covid19 on Service Delivery and Partnership Performance in 2020/21

The activities of the Health and Social Care Partnership were, of course, significantly impacted by the Covid19 pandemic during 2020/21.

Initially, all non-essential activity was stood down in line with Government restrictions, however mobilisation and recovery planning has been put in place across community health and social care services to reflect a 'Community First' approach and an outcomes based service model within communities.

The key impacts of this were:

- Rapid redesign of service delivery including through technology such as 'Near Me' for virtual consultations and establishment of Care Home oversight and support arrangements through the Care Home Assessment & Team (CHART)
- District Nursing Services supporting more people who chose to die at home.
- Development of the Enhanced Community Team (ECT) working with Social Care Services to support increased numbers of housebound Covid19 assessments and provide alternatives to hospital admissions.
- Significant improvement in Delayed Discharge Performance in the early part of 2020/21 which proved increasingly challenging to maintain over the year resulting in variable performance.
- Unpaid carers provided more care to service users, particularly in the early stages of the pandemic.
- Reduced admissions and bed usage particularly in Acute Medical wards in Forth Valley Royal Hospital

Further detail on the partnerships performance , including the impacts above, can be found within our Annual Performance Report.

The Year In Figures 2020-2021

45% of reablement clients reduced their care hours because they were more independent at the end of the intervention.

2020-2021 Adult Support Plans

496 ASP's for Carers completed by local Carers Centres and 290 ASP's completed in Adult social Care.

Clients seen within 5 weeks

97.5%
Clackmannanshire & Stirling ADPs

20/21
Average

Target
90%

Alcohol & Drug
Treatment Wait Times

729 clients received a Reablement Service, re-learning daily skills to help them be more independent.
2020/21

Number of Adults at Risk of Harm subject to an Adult Support and Protection Investigation:



176




**6 ESSENTIAL
ACTIONS**
Unscheduled Care


91% of Care services graded good, or better by Care Inspectorate inspections



3,827
Adult Care
Referrals



**Change
Grow
Live**

Core Performance Indicators

Outcome Indicators

	Indicator	Title	Partnership			
			15/16	17/18	19/20	20/21
Outcome indicators	NI - 1	Percentage of adults able to look after their health very well or quite well	95%	94%	93.6%	No Data
	NI - 2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible.	82%	82% <small>Not comparable with 19/20</small>	76.1%	No Data
	NI - 3	Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided.	76%	74%	74.4%	No Data
	NI - 4	Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated.	73%	76% <small>Not comparable with 19/20</small>	68.8%	No Data
	NI - 5	Total % of adults receiving any care or support who rated it as excellent or good	78%	78% <small>Not comparable with 19/20</small>	75.2%	No Data
	NI - 6	Percentage of people with positive experience of the care provided by their GP practice	87%	87% <small>Not comparable with 19/20</small>	78.8%	No Data
	NI - 7	Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	77%	79%	79.1%	No Data
	NI - 8	Total combined % carers who feel supported to continue in their caring role	32% ⁰⁰	38% <small>Not comparable with 19/20</small>	29.6%	No Data
	NI - 9	Percentage of adults supported at home who agreed they felt safe	82%	86% <small>Not comparable with 19/20</small>	83.5%	No Data
	NI - 10	Percentage of staff who say they would recommend their workplace as a good place to work	No data	No data	No Data	No Data

The 'outcome' indicators above are normally reported every 2 years from the Scottish Health and Care Experience Survey commissioned by the Scottish Government. The most current data for 2019/20 was available after the publication of last year's Annual Performance Report. It was published by the Scottish Government on 15 October 2020 with local level results available via dashboards on the PHS website. However, in regard to many of the indicators above, the data for 2019/20 there has been potential changes in methodology that affect the presentation of indicators 1 to 9.

Data Indicators

Indicator	Title	Partnership					
		Baseline 15/16	Current				
			16/17	17/18	18/19	19/20	20/21
NI - 11	Premature mortality rate per 100,000 persons aged under 75 years	425	389	379	371	429	459
NI - 12	Emergency admission rate (per 100,000 adult population)	10,373	10,011	10,685	10,450	13,189	11,741
NI - 13	Emergency bed day rate (per 100,000 population)	118,800	112,450	111,813	112,593	106,833	90,415
NI - 14	Readmission to hospital within 28 days (per 1,000 population)	104	105	107	108	135	156
NI - 15	Proportion of last 6 months of life spent at home or in a community setting	86%	87%	87%	88%	88%	90.9%
NI - 16	Falls rate per 1,000 population aged 65+	18	16	20	21	23	20.4
NI - 17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	82%	88%	96%	93%	91%	91.6%
NI - 18	Percentage of adults with intensive care needs receiving care at home	70%	70%	67%	67%	70%	69.2%
NI - 19	Number of days people aged 75+ spend in hospital when they are ready to be discharged (per 1,000 population)	640	723	503	579	665	456
NI - 20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	21%	21%	23%	24%	26%	21.2%
NI - 21	Percentage of people admitted to hospital from home during the year, who are discharged to a care home	No Data	No Data	No Data	No Data	No Data	
NI - 22	Percentage of people who are discharged from hospital within 72 hours of being ready	No Data	No Data	No Data	No Data	No Data	
NI - 23	Expenditure on end of life care, cost in last 6 months per death	No Data	No Data	No Data	No Data	No Data	

The 'data' indicators above are based on returns from the Health Board called "Standardised Mortality Ratio" (SMR). Public Health Scotland (PHS) who collect and publish this data state there are ongoing issues with SMR data completeness in NHS Forth Valley. PHS have therefore estimated data for 2019/20 financial year for the Integration Authority areas within Forth Valley (Clackmannanshire and Stirling, and Falkirk) for indicators 12, 13, 14, 15, 16, and 20.

Indicator 20 – cost update

Previously, 2017/18 cost information was used to calculate figures for indicator 20 for all Partnerships, costs for 2018/19 are now available and have been used from 2018/19 onwards for all Partnerships apart from those in Forth Valley.

Indicator 17 - “Advice from directors of Public Health in Scotland was that inspection visits would present a real risk of introducing and spreading COVID-19 in Scotland’s care homes. Therefore, to limit the spread of COVID-19, and with agreement from Scottish Government the Care Inspectorate restricted their presence in services unless necessary. This approach resulted in the majority of services not being graded as normal and instead retaining the grades they had last received. Instead the Care Inspectorate intensified oversight using a range of remote and virtual approaches to ensure services were supported and operating well throughout the pandemic.”

Please note that information for indicators 10, 21, 22 and 23 is not available. These indicators are not currently reported as either national data is not available or there is not yet a nationally agreed definition.

Financial Performance and Outlook, Risks and Plans for the Future

Financial Performance

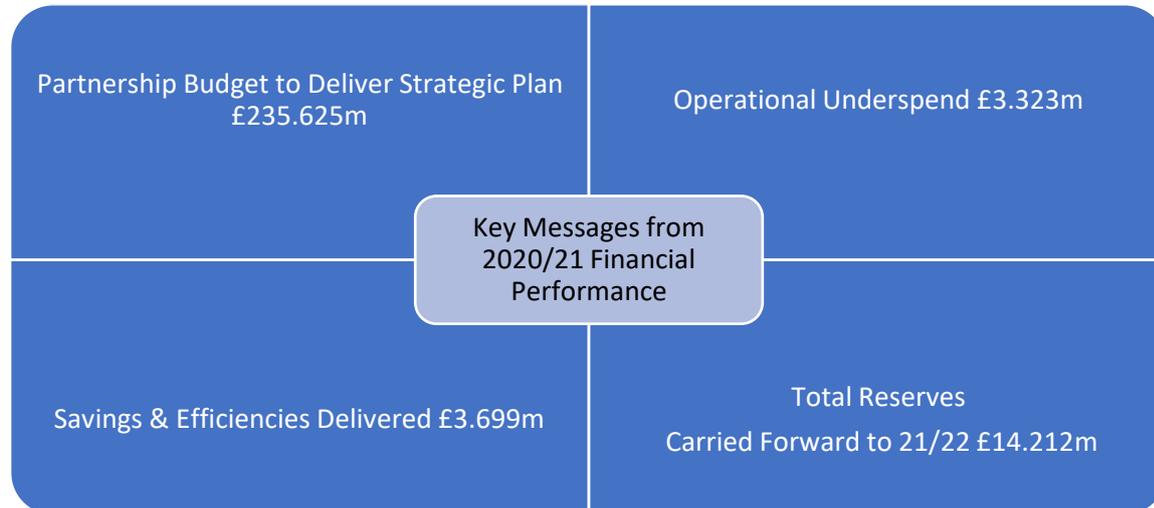
The Partnership has continued to face significant financial challenges in 2020/21 requiring the development and implementation of options for financially sustainable service delivery aligning, as far as possible, to the priorities agreed within the Partnerships Strategic Commissioning Plan 2019-2022.

The 2020/21 Revenue Budget and Medium Term Financial Plan was considered by the Integration Joint Board on 24 March 2020 on a 'business as usual' basis, as advised by Scottish Government, whilst acknowledging the risks that the emerging situation with regard to the Covid 19 pandemic may bring. The plan was predicated on a savings requirement of £6.214m with risk assessed plans in place to deliver £5.787m of these savings at the point of budget setting.

Savings achieved during the year are estimated at £3.699m with Scottish Government funding support being provided for estimated unachieved savings of £2.515m.

The operation financial position on the Integrated Budget (the partnership budget excluding set aside budget for large hospital services) was a net underspend of £3.323m. This position includes allocation of Covid funding from Scottish Government for unachieved savings.

No additional financial contributions from the partners were required in reaching this position and, per the terms of the Integration Scheme, the underspend on the Integrated Budget is carried forward via establishment of a General Reserve.



Key factors Impacting Financial Performance in 2020/21:

- Level of financial support for the financial impacts of Covid including full support for unachieved savings
- Underspends across several areas of Community Health Services including predominantly staffing related underspends in
 - District Nursing
 - Addictions
 - Allied Health Professionals
 - Community Learning Disabilities

- Community Mental Health Services
- Whilst Family Health Services Prescribing remained the most significant cost pressure area within the partnership budget the level of overspend was less than projected during the year.
- Reductions in costs of residential adult social care
- Levels of staffing underspends across adult social care services

Overall this resulted in a surplus of £12.516m for the Partnership for the 2020/21 financial year represented by the net increase in reserves.

Whilst this is a positive financial position the Partnership will continue to face significant financial challenges to deliver the Strategic Plan priorities and improved outcomes for service users, unpaid carers and communities in a climate of growing demand, cost and complexity.

The partnerships Medium Term Financial Plan estimates a savings requirement of between £16m and £17.5m over the next 5 years to ensure financial sustainable service delivery. Given significant ongoing increases in demand and complexity this will continue to be very challenging.

Set Aside Budget for Large Hospital Services

The Set Aside budget covers the in-scope integration functions of the NHS that are carried out in a large hospital settings providing services to the population of more than one Local Authority and/or Partnership area. For the Clackmannanshire and Stirling Partnership this includes services provided at the Forth Valley Royal Hospital site including the Lochview Learning Disability Inpatient facility and at Bellsdyke hospital in Larbert (Mental Health Inpatients). This covers areas such as emergency department, geriatric and general medicine, palliative care, learning disability and mental health inpatient services.

For financial year 2020/21 NHS Forth Valley met the pressures associated with the set aside budget and therefore the financial risk does not currently lie with the Integration Joint Board. As a result, the figures disclosed in the accounts reflect the budget position for the Set Aside element. However, financial reports to the Integration Joint Board include information on the actual estimated expenditure against the Set Aside budget, noting that NHS Forth Valley currently meets the financial pressure associated. A summary of the position is as follows:

	£m
Set Aside Budget	23.588
Estimated Expenditure	24.695
Overspend Met by NHS Forth Valley	1.107

Arrangements for the Set Aside budget continue to be under review. Work on completing this review has not been concluded during 2020/21 due to the focus on managing the Covid pandemic. The further work required to complete the review and agree future arrangements in line with extant legislation and the partnership action plan in response to the Ministerial Strategic Group recommendation on Progress on Integration is planned to be completed in early 2022 with recommendations being made thereafter to the IJB and NHS Board. This, along with the review of the Integration Scheme, may impact how the set aside is financed and accounted for in future years.

Financial Outlook

The impact of the Covid 19 pandemic continues to have a profound impact on both the UK and Scottish economies and therefore the outlook for public expenditure over both the short and medium to longer term. The impacts of this remain very uncertain whilst the pandemic continues and the partnership has continued to work closely with Scottish Government to monitor and seek financial support for the financial impacts for 2021/22.

Changing Scottish Government policy in relation to Health and Social Care and particularly the proposed establishment of a National Care Service will have a significant effect on the finances and accountabilities of the IJB going forward. The IJB awaits the detail of the legislative and policy direction of Scottish Government in this regard.

In March 2020 the partnership considered and approved a Medium Term Financial Plan for the coming 5 year period. This plan was developed on a 'business as usual' basis based on:

- The context set out in the Scottish Government 5 Year Financial Strategy and Medium Term Financial Framework for Health and Social Care
- Local and regional intelligence and modelling on the changing demand for services from regional planning work and the refresh of the Strategic Needs Assessment
- The ongoing impact of changes in legislation including the Carers Act and Free Personal Care for <65's
- The estimated impact of the Health and Social Care Partnerships Transforming Care Programme aligned to Strategic Commissioning Plan priorities.

The partnerships Medium Term Financial Strategy was reviewed in September 2021 including a estimated revenue savings requirement of £16m to £17.5m over the next five years. Given the level of uncertainty in relation to costs, funding and public policy this review was limited using the same core assumptions as used in the Medium Term Financial Plan approved in March 2020.

It is understood the Scottish Government will review, refresh and publish a revised Medium Term Financial Framework for Health and Social Care aligned to future policy approaches. A more substantive review of the IJBs Medium Term Financial Plan will be conducted at this point aligned to key assumptions with the Scottish Governments Medium Term Financial Framework.

COVID19 and Future Risks

COVID19:

The impact of the Covid19 pandemic continues to be the greatest single risk facing the Integration Joint Board. It will continue to affect the demand for and delivery of Health and Social Care services and the cost of these for a considerable period. Demand and service patterns experienced during 2020/21 were significantly different from longer term trends making forecasting more difficult and therefore higher risk. This also brings opportunities to accelerate the redesign and transformation of service delivery at pace. The considerations within the IJBs 2021/22 Revenue Budget approved by the IJB on 11 May 2021 took account of this and incorporated significant strategic change and investment proposals aligned to the Strategic Priorities within a balanced budget framework.

To mitigate this risk the IJB will:

- Continue to work closely with Scottish Government to monitor report and seek support for the direct financial implications arising from the pandemic.
- Incorporate learning from the pandemic into our operational and strategic planning. Examples of this are the Care Home Assurance Team (CHART) and our approaches to Technology Enabled Care and Self Directed Support.
- Continue to monitor and evaluate changing demands for services (for example demand for Mental Health Services) and seek to incorporate these into our planning and service responses incorporating our approaches to participation and engagement.

Future Risks

Covid19 aside the most significant risks facing the IJB are:

- Continued economic uncertainty, and potential effect on public spending, in the wake of the result of the UK's decision to leave the European Union(EU), commonly referred to as 'Brexit', and utilisation of the additional financial powers devolved to the Scottish Government through the Scotland Acts 2012 and 2016.
- Increasing demand for and cost of health and social care services driven by to demographic change including an ageing and increasing population with multiple and complex long term conditions including how these vary between the localities within the partnership
- Public sector pay policy, particularly where this deviates from general inflation and/or allocations to the IJB to reflect these costs.
- Price and supply volatility in the markets, at both UK and international levels for prescription drugs and other therapeutic products.
- Inequalities between the affluent and more deprived areas and the challenges of deprivation, housing and employment including the inequalities within the partnership area demonstrated through the locality profiles.
- The wider financial and economic environment, including the impact of Covid on UK and Scottish economic strategies and public expenditure
- Increasing public expectations from health and social care services:
- The changing policy landscape particularly in relation to Adult Social Care and rising expectations associated with this.
- The need to maintain and improve the quality of services and improve outcomes for service users, unpaid carers and communities; and
- Workforce challenges staff wellbeing, the ageing workforce and issues around recruitment and retention within the health and social care workforce.

- Sustainability of the independent sector provider market in Adult Social Care. The partnership largely commissions Adult Social Care services from the independent sector.
- Maintaining performance against key local and national indicators whilst maintaining service delivery within resources available.

All of the above risks may have an impact on the partnerships costs in future years and, therefore, add to the financial pressures over the medium to longer term.

Plans for the Future

There continues to be opportunities for the Integration Joint Board to use its combined resources in a more effective, efficient and person-centred ways focusing of place based services to make better use of public resources and improve outcomes for our citizens.

The increasing demand on services risks exceeding available resources and approaches to services design and delivery requires to be focused on better outcomes for citizens and co-produced with our communities through meaningful and ongoing engagement. The Partnership continues to adopt a whole-systems approach to improve health and social care outcomes and will work alongside Community Planning partners to address wider issues in relation to congruence with Local Outcome Improvement Plans, driving public value through place based services, community empowerment, public health and health improvement.

These approaches will ensure a joint contribution to encouraging, supporting and maintaining the health and wellbeing of people who live in our communities thus assisting the partnership in addressing the challenges faced.

It is recognised that if there are not fundamental changes to the way that services are planned and delivered with partners across all sectors, current service provision will not be sufficient to meet the future health and social care needs of the population. We must therefore continue to embed new ways of working and seek to focus resources away from bed based models of care into community based services. We need to continue to critically appraise and challenge our current models of service delivery to ensure our combined resources are focused on areas of greatest need delivering the best outcomes to our service users and patients, and that crucially we co-produce these harnessing the capacity of local communities to support the wider preventative, health and wellbeing outcomes.

The future planning and commissioning of services is, of course, profoundly affected by the COVID19 pandemic. At time of writing we are still in the response phase to the pandemic but focusing significant energy of recovery and renewal planning. The pandemic will affect both demand for services and public sector funding. Whilst there are significant risks associated with this there are also significant opportunities which require, in consultation with our population to be explored. Lessons learned from the pandemic including rapid service transformation, reduction in delayed discharges, use of technologies, and building on the resilience of communities are key examples.

Moving forward there will increasingly be a requirement to focus investment of available resources on Strategic Commissioning Plan Priorities and ensure we and partners meet statutory requirements in innovative ways including increasing use of assistive technologies and digital solutions. It is paramount these solutions are co-produced with communities through an ongoing commitment to public and service user engagements.



The key elements of this approach are set out in the 'plan on a page' schematic on Page 8 of this document and supplemented the detailed planning within and aligned to our Transforming Care Programme.

Specific priority areas within the partnerships Transforming Care Programme include:

- Implementing a review of Frontline Adult Social Care to make service delivery more outcomes focussed
- Improving our approaches to Self Directed Care (SDS) supported by a dedicated SDS Implementation Lead
- Reviewing and modernising our approach to Technology Enabled Care (TEC) supported by a dedicated TEC Lead
- Developing our approaches to Early Intervention and Prevention

Conclusion

In this fifth year of operations the Partnership has focussed heavily on our responses to the challenges of the Covid 19 pandemic in ways that are naturally aligned to our Strategic Priorities.

Progress on this and achieving the vision and outcomes of the Strategic Commissioning Plan will be reported to the Integration Joint Board by November 2021 via the draft Annual Performance Report. Thereafter the Integration Joint Board will continue to receive regular reports on the Transforming Care Programme as the delivery mechanism for the Strategic Commissioning Plan. This will seek to demonstrate the scale of activities and significant level of progress in relation to the agreed Strategic Commissioning Plan priorities.

Going forward, the Clackmannanshire and Stirling Health and Social Care Partnership will continue to face significant financial challenges in delivering better outcomes for its patients and service users, in line with its Strategic Commissioning and Financial Plans, in a climate of growing demand and complexity within finite resources.

In order to achieve this we must continue to identify and implement innovative ways of delivering sustainable services to our citizens in ways that are truly co-produced with our communities, that draw on lived experience of our service users and that are human rights based.

We will continue to work with staff, managers, services, partners (including the third and independent sectors) and our communities to lead and support sustainable service design approaches, identify and implement innovative, cost effective and person centred, outcomes focused and place-based service delivery models and pathways, and contribute to the delivery of the Partnership's Strategic Commissioning Plan 2019-2022 priorities within resources available.

Where to Find More Information

If you would like more information please visit our webpage at:

<https://clacksandstirlinghscp.org/>

The papers and minutes from meeting of the Integration Joint Board can be found here:

<https://clacksandstirlinghscp.org/integration-joint-board-meetings/>

Other publications from the partnership, past and present can be found here:

<https://clacksandstirlinghscp.org/publications/>

Acknowledgements

The Integration Joint Board would wish to take this opportunity to thank the staff, volunteers and paid and unpaid carers whose work contributes to the provision of services to the populations of Clackmannanshire and Stirling.

Les Sharp
Chair

Annemargaret Black
Chief Officer

Ewan C. Murray
Chief Finance Officer

Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In Clackmannanshire and Stirling Integration Joint Board, that officer is the Chief Finance 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.

I confirm that these Annual Accounts were approved for signature on 24 November 2021

Signed on behalf of the Clackmannanshire and Stirling Integration Joint Board.

Cllr Les Sharp
Chair

Responsibilities of the Chief Finance Officer

The Chief Finance 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 Finance Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with legislation
- complied with the local authority Code (in so far as it is compatible with legislation)

The Chief Finance Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the financial statements give a true and fair view of the financial position of the Clackmannanshire & Stirling Integration Joint Board as at 31 March 2021 and the transactions for the year then ended.

Ewan C. Murray
Chief Finance Officer

Remuneration Report

Introduction

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

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

Voting Membership of the Integration Joint Board in 2020/21

Voting members of the Integration Joint Board constitute Councillors nominated as Board members by constituent authorities and NHS representatives nominated by the NHS Forth Valley. The voting members of the Clackmannanshire and Stirling Integration Joint Board were appointed through nomination by Clackmannanshire Council, NHS Forth Valley, and Stirling Council.

Voting Membership of the Integration Joint Board during 2020/21 was as follows:

Clackmannanshire Council

Councillor Les Sharp (Chair)

Councillor Dave Clark

Councillor Martha Benny

NHS Forth Valley

John Ford, Non-Executive

Cathie Cowan, Chief Executive

Julia Swan, Non-Executive

Graham Foster, Director of Public Health and Strategic Planning

Alan Rennie, Non-Executive (Vice Chair)

Gordon Johnston, Non-Executive

Stirling Council

Councillor Scott Farmer

Councillor Graham Houston

Councillor Susan McGill

Remuneration: Integration Joint Board Chair and Vice Chair

The voting members of the Integration Joint Board are appointed through nomination by Clackmannanshire & Stirling Councils and NHS Forth Valley. Nomination of the Integration Joint Board Chair and Vice Chair postholders alternates between a Councillor and a Health Board representative.

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

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

The Chair during 2020/21 was Councillor Les Sharp from Clackmannanshire Council and Vice Chair was Alan Rennie, Non Executive Director of NHS Forth Valley. There was no changes to these roles during the year.

Remuneration: Officers of the Integration Joint Board

The Integration Joint Board does not directly employ any staff in its own right; however specific post-holding officers are non-voting members of the Board.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the Integration Joint Board must be appointed and the employing partner must formally second the officer to the Integration Joint Board. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the Integration Joint Board.

The Interim Chief Officer from 1 April to 16 June 2019 was employed by Stirling Council who met the costs of the interim appointment for this period in full.

The permanent Chief Officer took up post on 17 June 2019 and was employed by NHS Forth Valley.

Other Officers

No other staff are appointed by the Integration Joint Board under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

The Chief Finance Officer is employed by NHS Forth Valley.

Total 2019/20	Senior Employees	Salary, Fees & Allowances	Taxable Expenses	Total 2020/21
£		£	£	£
17,652 (FTE £81,631)	Chief Officer (Interim) M Valente From 1 April to 16 June 2019	-	-	-
74,279 (FTE £94,156)	Chief Officer A Black From 17 June 2019	99,175	-	99,175
74,710	Chief Finance Officer E Murray	76,978	-	76,978
166,641	Total	176,153	-	176,153

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 Integration Joint Board balance sheet for the Chief Officer or any other officers.

The Integration Joint Board 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 Integration Joint Board. The following table shows the Integration Joint Board's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/20 £	For Year to 31/03/21 £		Difference from 31/03/20 £000	As at 31/03/21 £000
Chief Officer (interim)	3,884	-	Pension	-	-
M Valente			Lump sum	-	-
Chief Officer	15,524	20,728	Pension	3	28
A Black			Lump Sum	3	73
Chief Finance Officer	15,614	16,088	Pension	2	32
E Murray			Lump Sum	2	70
Total	35,040	36,816	Pension	5	59
			Lump Sum	5	42

Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band 2019/20	Remuneration Band	Number of Employees in Band 2020/21
2	£70,000 - £74,999	0
0	£75,000 - £79,999	1
0	£95,000 - £99,999	1

Exit Packages

There were no exit packages in relation to Clackmannanshire and Stirling Integration Joint Board in financial year 2020/21.

Cllr Les Sharp

Chair

Annemargaret Black

Chief Officer

Annual Governance Statement

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

Scope of Responsibility

The IJB is responsible for ensuring that:

- its business is conducted in accordance with the law and appropriate standards
- that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's delegated functions and to make arrangements to secure best value.

To meet this responsibility, the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHS Forth Valley and Clackmannanshire and Stirling Councils systems of internal control which support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

Given the IJB utilises the systems of internal control with NHS Forth Valley, Clackmannanshire Council and Stirling Council the system can only provide reasonable and not absolute assurance of effectiveness.

Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the IJB is directed and controlled. It enables the IJB to monitor the achievement of the objectives set out in the IJB's Strategic Plan. The governance framework will be continually updated to reflect best practice, new legislative requirements and the expectations of stakeholders.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively.

Governance Framework and Internal Control System

The Board of the IJB comprises the Chair, Vice Chair and 10 other voting members; 6 are Council Elected Members nominated (3 each council) by Clackmannanshire and Stirling Council, and, 6 are Board members of NHS Forth Valley (4 Non Executive Directors and 2 Directors). There are also a number of non-voting professional and stakeholder members on the IJB including the Chief Officer and Chief Finance Officer. Stakeholder members currently include representatives from the third sector interfaces, carers and service users.

The main features of the governance framework in existence during 2020/21 were:

- The Integration Scheme
- Standing Orders
- Scheme of Delegation
- Urgent Decision Making Powers to ensure effective and responsive governance during Covid
- Financial Regulations and Reserves Policy and Strategy
- Code of Conduct and Register of Interests
- IJB Committees operating within approved Terms of Reference
- Clinical and Care Governance Framework
- Risk Management Framework and Strategic Risk Register
- Complaints Handling Procedure
- Information Governance Arrangements & Information Security Policy

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation.

The IJB utilises the internal control systems of NHS Forth Valley, Clackmannanshire Council and Stirling Council in the commissioning and delivery of in-scope functions. The Annual Governance Statements of the constituent authorities will be reviewed for any significant weaknesses which could be a risk to the IJB.

The IJB complies with “The Role of the Head of Internal Audit in Public Organisations” (CIPFA) and operates in accordance with “Public Sector Internal Audit Standards” (CIPFA). The Head of Internal Audit reports directly to the Integration Joint Board Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the Integration Joint Board Audit and Risk Committee on any matter. The annual programme of internal audit work is based on a risk assessment drawn from review of the Integration Joint Boards Strategic Risk Register and is approved by the Integration Joint Board Audit and Risk Committee.

From April 2019 the IJBs Chief Internal Auditor has been from FTF Internal Audit Service who are an internal audit consortium covering Fife, Tayside and Forth Valley.

Review of Adequacy and Effectiveness

The IJB has responsibility for conducting at least annually, a review of effectiveness of the system of internal control and the quality of data used throughout the organisation. The review is informed by the work of the Senior Management Team, work of the IJBs internal audit service and the Chief Internal Auditor’s annual report, and reports from external auditors and other review agencies and inspectorates. This is consistent with Code of Practice on Local Authority Accounting in the United Kingdom and guidance developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) entitled “Delivering Good Governance in Local Government: a framework” including conformance with the Code of Practice on Managing the Risk of Fraud and Corruption.

The review of the IJB’s governance framework is supported by a process of self-assessment and compiled by the Chief Finance Officer.

The Chief Finance Officer completes a “Self-assessment Checklist” and any further supporting evidence requested as evidence of adequacy and review of key areas of the

IJB's internal control framework; this is provided to the IJBs Chief Internal Auditor as part of the evidence base to inform the opinion within the Annual Internal Audit Report.

The Chief Officer also gives assurances as Director of Health and Social Care through the Annual Governance Statement processes of the constituent authorities and the IJB Chief Finance Officer reviews the Annual Governance Statements of the constituent authorities to identify any identified weaknesses in governance which may affect integration functions and/or pose a risk to the IJB.

The Senior Management Team has input to this process through the Chief Finance Officer. In addition, the review of the effectiveness of the governance arrangements and systems of internal control within the Health Board and Local Authority partners places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

The appointed IJB Chief Internal Auditor provided an annual report to the Audit and Risk Committee in June 2021 which concluded that 'Reliance can be placed on the IJB governance arrangements and systems of internal control for 2020/21. '

In addition, the Chief Internal Auditor reported that in addition to his conclusion management have not been advised of any concerns around the following:

- Consistency of the Governance Statement with information that we are aware of from our work;
- The format and content of the Governance Statement in relation to the relevant guidance;
- The disclosure of all relevant issues.

The Chief Internal Auditor also provides regular reports to the Audit and Risk Committee on progress in delivery of the Internal Audit Plan. The 2020/21 Internal Audit Plan was approved by the Audit and Risk Committee in December 2020 due to the impacts of Covid and will be delivered by December 2021. The Chief Internal Auditor placed reliance on fieldwork completed in delivery the Internal Audit Plan to inform his audit opinion.

Due to the nature of IJB Board Membership, a conflict of interest can arise between an IJB Board Members' responsibilities to the IJB and other responsibilities that they may have. The IJB has arrangements in place to deal with any conflicts of interest that may arise. It is the responsibility of Board and Committee Members to declare any potential conflicts of interest, and it is the responsibility of the Chair of the relevant Board or Committee to ensure such declarations are appropriately considered and acted upon. There is specific guidance from the Standards Commission for IJB members.

The Management Commentary provides an overview of the key risks and uncertainties facing the IJB.

Roles and Responsibilities

The Chief Officer is the Accountable Officer for the IJB and has day-to-day operational responsibility to monitor delivery of integrated services, with oversight from the IJB.

The IJB complies with the CIPFA Statement on "The Role of the Chief Finance Officer in Local Government 2014". The IJB's Chief Finance Officer has overall responsibility for Clackmannanshire and Stirling Health and Social Care Partnerships financial management arrangements.

The IJB complies with the requirements of the CIPFA Statement on “The Role of the Head of Internal Audit in Public Organisations 2019”. The IJB’s appointed Chief Internal Auditor has responsibility for the IJB’s internal audit function and is professionally qualified and suitably experienced to lead and direct internal audit staff. The Internal Audit service operates in accordance with the CIPFA “Public Sector Internal Audit Standards 2017”.

Board members and officers of the IJB are committed to the concept of sound internal control and the effective delivery of IJB services. The IJB’s Audit and Risk Committee operates in accordance with CIPFA’s Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities. The Committee’s core function is to provide the IJB with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance arrangements.

Governance Issues Relating to the Impact of COVID-19

The IJB’s approved governance framework has been in place for the year ended 31 March 2021.

However, from March 2020 the governance context in which the IJB operates has been impacted by the need to implement urgent decision-making arrangements and take urgent actions where required in response to the significant public health challenge presented by the COVID-19 pandemic.

The planning and delivery of health and social care services has had to rapidly adapt to meet this challenge and the IJB has had to adapt its governance arrangements accordingly.

In response to the pandemic and the requirement to move quickly and decisively to manage the subsequent pressures on health and social care services in Clackmannanshire & Stirling, the IJB approved and initiated urgent decision-making arrangements at its March 2020 meeting and have extended them at each IJB meeting to date.

Under these arrangements, authority is delegated, if required, to take decisions to meet urgent operational requirements, to the Chief Officer in consultation with the Chair and Vice Chair of the IJB and Chief Executives and Chief Financial Officers of the Constituent Authorities. Any decisions taken require to be reported to the IJB.

Financial governance arrangements remain in place and have been supplemented by additional controls and reporting arrangements to manage and monitor COVID-19 related expenditure and resultant impact on the IJBs financial position.

The IJB and IJBs committees have continued to meet and function through the pandemic however agenda has been reduced from time to time to focus on essential business and statutory requirements without compromising effectiveness of governance arrangements. Meetings have been conducted virtually via Teams throughout the pandemic.

The timing of approval and publication of audited Annual Accounts and the Annual Performance Report for 2020/21 were in line with the flexibility permitted through the Coronavirus Act (Scotland).

Some elements of planned reviews of governance arrangements during 2020/21 have not been taken forward within the originally planned timescales due to management capacity

being focused on dealing with the COVID-19 pandemic. Much of this is also due to the relationship between the governance framework and the review of the Integration Scheme. The constituent authorities and IJB conducted a review of the Integration Scheme and will consider the requirement to prepare a revised scheme during 2022.

The review of certain elements of the governance frameworks including the Scheme of Delegation are currently planned to be revisited, reprioritised and undertaken during 2021/22. Despite actions having been deferred effective governance was maintained during the year.

Other Governance Issues

The IJB considered an initial indicative 2021/22 revenue budget in March 2021 but did not approve the 2021/22 Revenue Budget until its special meeting on 11 May 2021.

This was as a result of the exceptional timing of UK and Scottish Budgets in response to Covid, knock on impacts on budget setting for NHS Forth Valley, Clackmannanshire Council and Stirling Council impeding compliance with the terms of the Integration Scheme, a number of material issues affecting the IJB budget remaining fluid or unclear at the time of the March meeting and the IJB wishing further information in the form of business cases to support proposed investment decisions.

The exceptional nature of financial planning and budget setting for 2020/21 rather than any systemic weaknesses in the IJBs arrangements drove these circumstances however it is disclosed here in the spirit of transparency. The IJBs budget timetabling will always be predicated on setting the revenue budget for the coming financial year before the 31st March.

Management of Risk

The Integration Joint Board monitors and seeks to mitigate significant risk through its Risk Management Framework and Strategic Risk Register. The Strategic Risk Register is regularly reviewed by the partnership Senior Leadership Team. The Audit & Risk Committee provide a scrutiny role for the Integration Joint Board by reviewing, scrutinising and approving the Strategic Risk Register as a standing agenda item at each meeting. High risks on the Strategic Risk Register are reported to the Integration Joint Board through regular Performance Reports.

As the Transforming Care Programme and the role of the Transforming Care Board has been developed over 2020/21 a risk register for the programme has now also been developed which enhances the IJBs approach to management of risk going forward.

The IJBs risk management framework is currently under review. This review will consider any updates required to the risk management framework and improving interfaces with risk management arrangements across the constituent authorities assisting in linking operational and strategic risk identification, management and reporting.

The major changes to the risk profile of the IJB during the year are, understandably, predominantly in relation to the current and future impacts of the Covid 19 pandemic. As well as the additional of a specific strategic risk in relation to Covid 19 all the control actions for all other strategic risks have been reviewed in relation to mitigation of impacts of Covid 19. Additionally, the format of the register has been reviewed to ensure control actions are SMART (Specific, Measurable, Achievable, Realistic and Timely). Furthermore, given ongoing challenges in relation to recruitment and retention of the workforce and the need to

prioritise the workforces wellbeing the associated strategic risk has been fundamentally reviewed.

Action Plan

Following consideration of the review of adequacy and effectiveness the following action plan has been agreed to ensure continual improvement of the IJB's governance. Regular updates on progress of the agreed actions will be monitored by the IJB Audit and Risk Committee.

Update on 2019/20 Action Plan

Areas for Improvement Identified	Action Undertaken in 2020/21	Responsible Party(s)	Previous Planned Date of Completion	Revised Planned Date of Completion
A comprehensive review of the IJBs Governance Frameworks will be undertaken aligned to changes in operational responsibilities of the Chief Officer	<p>Action partially complete. Reserves Strategy Reviewed, Updated and Approved.</p> <p>Not yet progressed due to continued management focus on managing impact of pandemic.</p> <p>Linked to review of Integration Scheme and further consideration of requirement to develop a revised scheme post June 2021.</p>	Chief Officer and Chief Finance Officer	March 2021	March 2022
Development of Local Code of Corporate Governance, Whistleblowing Policy and Counter Fraud arrangements to strengthen governance.	<p>Action Outstanding. Local Code of Corporate Governance will be developed as part of review of governance frameworks.</p> <p>Consideration has been made to HSCP Whistleblowing and Counter Fraud Policies however it is felt that these would confuse and risk weakening rather than strengthen arrangements as these are anchored in employing authorities.</p>	Chief Officer and Chief Finance Officer	March 2021	February 2022

Clackmannanshire & Stirling IJB – Annual Accounts for the year ended 31 March 2021

Implement Revised Approach to Directions	Action partially complete. Directions policy approved by IJB September 2021. Full implementation by April 2022 planned.	Chief Officer, Head of Service (SP&HI) & Chief Finance Officer	March 2021	April 2022
Review Form and Fitness for Purpose of Extant Scheme of Delegation	Extant IJB Scheme of Delegation has been in place since 30 March 2016. Review now in progress.	Chief Officer, Chief Finance Officer and Heads of Governance of Constituent Authorities	N/A	March 2022
Produce Annual Assurance Reports for IJB Committees	As part of developing good governance arrangements and continuous improvement the IJBs committees will consider and approve annual assurance reports and these will be considered by the IJB and previous work on assurance principles	Chief Finance Officer & Business Manager	N/A	March 2022
Review of relationship between IJB and Community Planning Partnerships (CPPs)	Action being progressed. As part of developing good governance arrangements the IJBs has taken on the CPP leadership role for the Alcohol and Drug Partnership across Clackmannanshire and Stirling areas. In addition, the IJB has taken on the leadership role on behalf of both CPPs for Well-being, particularly focused on the impact of COVID.	Head of Service (Strategic Planning & Health Improvement)	March 2021	March 2022

2020/21 Action Plan

Further Develop Best Value Arrangements	Establish and agree mechanism to provide IJB with overt assurance on the characteristics of Best Value in accordance with the Local Government in Scotland Act 2003 Best Value Guidance	Chief Finance Officer	-	March 2022
Further Develop Strategic Improvement Plan	Review format, structure and effectiveness of plan as key consolidated improvement plan for partnership including : <ul style="list-style-type: none"> • Ensuring plan is 'SMART' • Ensuring progress on MSG Proposals on Progress are adequately incorporated 	Head of Service Strategic Planning & Health Improvement	-	December 2021
Undertake Review of Strategic Plan / Strategic Commissioning Plan	Action deferred. IJB have approved extension of existing Strategic Plan for a further year due to impacts of Covid and operational pressures to allow competent review and full and proper engagement.	Chief Officer & Head of Service, Strategic Planning & Health Improvement	-	March 2023
Ensure Information Governance Assurance Report presented to IJB.	Action Complete and reported to IJB. Including review of information sharing protocols and assurance on information governance arrangements.	Head of Information Governance, NHS Forth Valley	-	September 2021

Conclusion and Opinion on Assurance

Whilst recognising that improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.

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

Systems are in place to regularly review and improve the internal control environment and the implementation of the action plan will be monitored by the HSCP Senior Management Team and reported via the IJB and the IJB Audit and Risk Committee.

Cllr Les Sharp
Chair

Annemargaret Black
Chief Officer

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments this is shown in the Movement in Reserves Statement.

2019/20			2020/21		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
22,006	0	22,006	23,588	0	23,588
111,166	(10,135)	101,031	124,556	(7,186)	117,370
76,594	0	76,594	82,090	0	82,090
284	0	284	301	0	301
210,050	(10,135)	199,915	230,535	(7,186)	223,349
	(199,634)	(199,634)		(235,866)	(235,866)
		281			(12,516)

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

Movement in Reserves Statement

This statement shows the movement in the year on the Integration Joint Board’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 2020/21	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2020	(1,696)	0	(1,696)
Total Comprehensive Income and Expenditure	(12,516)	0	(12,516)
Increase in 2020/21	(12,516)	0	(12,516)
Closing Balance at 31 March 2021	(14,212)	0	(14,212)

Movements in Reserves 2019/20	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2019	(1,977)	0	(1,977)
Total Comprehensive Income and Expenditure	281	0	281
Decrease in 2019/20	281	0	281
Closing Balance at 31 March 2020	(1,696)	0	(1,696)

Balance Sheet

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

31 March 2020		Notes	31 March 2021
£'000			£'000
1,696	Short Term Debtors		14,212
<u>1,696</u>	Current Assets		<u>14,212</u>
0	Short Term Creditors		0
<u>0</u>	Current Liabilities		<u>0</u>
0	Provisions		0
<u>0</u>	Long-Term Liabilities		<u>0</u>
<u><u>1,696</u></u>	Net Assets		<u><u>14,212</u></u>
(1,696)	Useable Reserves: General Fund	Note 10	(14,212)
<u>0</u>	Un-useable Reserves		<u>0</u>
<u><u>(1,696)</u></u>	Total Reserves		<u><u>(14,212)</u></u>

Ewan C. Murray
Chief Finance Officer

Notes to the Financial Statements

1. Significant Account Policies

General Principles

The Financial Statements summarises the authority's transactions for the 2020/2021 financial year and its position at the year-end of 31 March 2021.

The Integration Joint Board was established 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.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the Integration Joint Board.
- 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.

Funding

The Integration Joint Board is primarily funded through funding contributions from the statutory funding partners, Clackmannanshire and Stirling Councils and NHS Forth Valley. Expenditure is incurred as the Integration Joint Board commissions specified health and social care services from the funding partners for the benefit of service recipients in Clackmannanshire and Stirling.

Cash and Cash Equivalents

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

Employee Benefits

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

The Integration Joint Board has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

Charges from funding partners for other staff are treated as administration costs.

Reserves

The Integration Joint Board's reserves are classified as either Usable or Unusable Reserves.

The Integration Joint Board's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the Integration Joint Board can use in later years to support service provision.

The Integration Joint Board has no unusable reserves.

Indemnity Insurance

The Integration Joint Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Forth Valley, Clackmannanshire and Stirling Councils have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the Integration Joint Board does not have any 'shared risk' exposure from participation in CNORIS. The Integration Joint Boards participation in the CNORIS scheme is therefore supplementary to normal insurance arrangements for clinical and care services.

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

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

VAT

The Integration Joint Board is not registered for VAT and as such VAT is settled or recovered by the partner agencies.

VAT payable 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.

2. Accounting Standards That Have Been Issued But Have Not Yet Been 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.

3. Critical Judgements in Applying Accounting Policies

Set Aside Budget for Large Hospital Services

For financial year 2020/21 the sum included within the accounts in relation to the Set-Aside budget for Large Hospital services reflects the budget allocated rather than the actual cost of hospital activity. Systems are continuing to be developed to be able to accurately provide this information within the accounts in future financial years. Development of these arrangements continues to be impacted by the pandemic but is ongoing.

In terms of risk of misstatement, a 10% shift in activity would equate to an estimated £2.469m in costs which would, in turn, be matched by additional income from NHS Forth Valley.

The approach to developing arrangements was detailed in a report to the Integration Joint Board meeting in June 2018 and within the partnerships consolidated response to the Ministerial Strategic Groups proposals on Progress on Integration. The Integration Joint Board, and its committees, will continue to receive reports on progress of this work with the next substantive progress report due in September 2021.

4. Events After the Reporting Period

The Annual Accounts were authorised for issue by the Chief Finance Officer. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

5. Expenditure and Income Analysis by Nature

2019/20 £000		2020/21 £000
	Services Commissioned from Clackmannanshire Council	21,428
20,677		
43,321	Services Commissioned from Stirling Council	39,829
145,769	Services Commissioned from NHS Forth Valley	168,978
254	Other IJB Operating Expenditure	271
3	Insurance and Related Expenditure	3
27	Auditor Fee: External Audit Work	27
(4,547)	Service Income: Clackmannanshire Council	(4,162)
(5,588)	Service Income: Stirling Council	(3,024)
(199,634)	Partners Funding Contribution and Non-Specific Grant Income	(235,866)
<hr/>		
282	(Surplus) or Deficit on the Provision of Services	(12,516)

6. Taxation and Non-Specific Grant Income

2019/20 £000		2020/21 £000
17,323	Funding Contribution from Clackmannanshire Council	20,358
35,769	Funding Contribution from Stirling Council	42,854
146,542	Funding Contribution from NHS Forth Valley	172,654
<hr/>		
199,634	Taxation and Non-specific Grant Income	235,866
<hr/>		

The funding contribution from the NHS Board shown above includes £23.588m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which currently retains responsibility for managing the costs of providing the services. The Integration Joint Board, however, has strategic responsibility for the consumption of, and level of demand placed on, these resources.

7. Debtors

31 March 2020 £000		31 March 2021 £000
694	Stirling Council	6,652
0	Clackmannanshire Council	3,031
1,002	NHS Forth Valley	4,529
<hr/>		
1,696	Debtors	14,212
<hr/>		

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the Integration Joint Board.

8. Creditors

There are no creditor's balances in the Integration Joint Board accounts.

9. Provisions

No provisions have been made in the Integration Joint Board accounts.

10. Usable Reserve: General Fund

The Integration Joint Board holds a balance on the General Fund for two main purposes:

- 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 and pursuance of best value from available resources.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as an element of the Integration Joint Board's financial resilience framework. The IJB held contingency funding totalling £3.323m at 31 March 2021.

The table below shows the movements on the General Fund balance:

2019/20				2020/21			
Balance at 1 April 2019 £000	Transfers Out 2019/20 £000	Transfers In 2019/20 £000	Balance at 31 March 2019/20 £000		Transfers Out 2020/21 £000	Transfers In 2020/21 £000	Balance at 31 March 2020/21 £000
(1)	1	0	0	Integration Fund	0	0	0
(320)	0	(73)	(393)	Transformation Funding	0	(790)	(1,183)
(253)	0	(87)	(340)	Primary Care & Mental Health Transformation Funds	0	(189)	(529)
(176)	176	0	0	Transforming Urgent Care	0	0	0
(23)	0	0	(23)	Autism	0	0	(23)
(100)	12	0	(88)	Dementia Friendly	44	0	(44)
(508)	0	0	(508)	Drug and Alcohol Recovery Support	0	(72)	(580)
(40)	0	0	(40)	See Hear	0	(11)	(51)
(11)	0	0	(11)	Sensory Impairment	11	0	0
(140)	140	0	0	Primary Care Improvement Fund	0	0	0
(128)	92	0	(36)	GP OOH Fund	0	(78)	(114)
(24)	2	0	(22)	Alcohol & Drugs	0	(7)	(29)
(21)	0	0	(21)	GP subcommittees for GP contract	0	(20)	(41)
(57)	0	(57)	(114)	Mental Health Innovation Fund	0	(24)	(138)
(124)	124	0	0	Unscheduled Care	0	0	0
(50)	27	0	(23)	Independent Travel	23	0	0
0	0	(77)	(77)	Primary Care Premises	0	(33)	(110)
0	0	0	0	Scottish Living Wage	0	(237)	(237)
0	0	0	0	Community Living Fund	0	(512)	(512)
0	0	0	0	District Nursing Posts	0	(57)	(57)
0	0	0	0	Forth Medical Group	0	(94)	(94)
0	0	0	0	Mental Health - Perinatal Funding	0	(32)	(32)
0	0	0	0	Drug Related Deaths Funding	0	(153)	(153)
0	0	0	0	Covid Earmarked Reserve - NHS FV	0	(704)	(704)
0	0	0	0	Appropriate Adult	0	(33)	(33)
0	0	0	0	Self Directed Support	0	(32)	(32)
0	0	0	0	Old Age Isolation	0	(27)	(27)
0	0	0	0	Shielding	0	(114)	(114)
0	0	0	0	Covid Earmarked Reserve - Stirling	0	(4,622)	(4,622)
0	0	0	0	Aids for Daily Living	0	(117)	(117)
0	0	0	0	Covid Earmarked Reserve - Clackmannanshire	0	(1,316)	(1,316)
(1,976)	574	(294)	(1,696)	Total Earmarked	78	(9,273)	(10,890)
0	0	0	0	Contingency	0	(3,323)	(3,323)
(1,976)	574	(294)	(1,696)	General Fund	78	(12,593)	(14,212)

11. Related Party Transactions

The IJB has related party relationships with the NHS Forth Valley and the Clackmannanshire & Stirling Councils. In particular, the nature of the partnership means that the Integration Joint Board may influence, and be influenced by, its partners. The following transactions and balances included in the Integration Joint Board's accounts are presented to provide additional information on the relationships.

There are no material transactions with Clackmannanshire and Stirling Integration Joint Board officers or with organisations they have an interest in. The remuneration and any other taxable payments to senior officers, the Chair and Vice Chair are disclosed in the remuneration statement. Each Board member's registered interests will be published on the Integration Joint Board webpage in due course.

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the constituent authorities free of charge as a 'service in kind'. The support services provided by the constituent authorities mainly consist of performance management, human resources, financial management, information services, information technology and payroll.

Transactions with NHS Forth Valley

2019/20		2020/21
£000		£000
(146,542)	Funding Contributions received from the NHS Board	(172,654)
145,769	Expenditure on Services Provided by the NHS Board	168,978
99	Key Management Personnel: Non-Voting Board Members	118
<hr/>		
(673)	Net Transactions with NHS Forth Valley	(3,558)

Key Management Personnel: The Chief Officer and Chief Finance Officer are employed by NHS Forth Valley and recharged to the Integration Joint Board via contributions from the constituent authorities based on voting shares. Details of the remuneration for the Chief Officer and Chief Finance Officer is provided in the Remuneration Report.

Balances with NHS Forth Valley

31 March 2020 £000		31 March 2021 £000
1,002	Debtor balances: Amounts due from the NHS Board	4,529
<hr/>		
1,002	Net Balance with the NHS Forth Valley	4,529

Transactions with Clackmannanshire Council

2019/20 £000		2020/21 £000
(17,323)	Funding Contributions received from the Council	(20,357)
(4,547)	Service Income Received from the Council	(4,162)
20,677	Expenditure on Services Provided by the Council	21,428
50	Key Management Personnel: Non-Voting Board Members	59
<hr/>		
(1,144)	Net Transactions with Clackmannanshire Council	(3,032)

Balances with Clackmannanshire Council

31 March 2020 £000		31 March 2021 £000
0	Debtor balances: Amounts due from the Council	3,031
<hr/>		
0	Net Balance with Clackmannanshire Council	3,031

Transactions with Stirling Council

2019/20 £000		2020/21 £000
(35,769)	Funding Contributions received from the Council	(42,854)
(5,588)	Service Income Received from the Council	(3,024)
43,321	Expenditure on Services Provided by the Council	39,829
50	Key Management Personnel: Non-Voting Board Members	59
<hr/>		
2,014	Net Transactions with Stirling Council	(5,991)

Balances with Stirling Council

31 March 2020 £000		31 March 2021 £000
694	Debtor balances: Amounts due from the Council	6,652
<hr/>		
694	Net Balance with Stirling Council	6,652

12. Expenditure Analysis

Expenditure on services commissioned by the Clackmannanshire and Stirling Integration Joint Board from its constituent authorities is analysed below:

Expenditure Analysis

	2019/20 Expenditure £'000	2020/21 Expenditure £'000
Health Services		
<u>Set Aside</u>		
Accident and Emergency Services	6,076	6,446
Inpatient Hospital Services Relating to:		
General Medicine	2,977	3,294
Geriatric Medicine	4,340	4,304
Rehabilitation Medicine	1,397	1,616
Respiratory Medicine	1,069	1,167
Psychiatry of Learning Disability	1,092	1,084
Palliative Care (Hospital Based)	939	965
Mental Health Inpatient Services	5,433	5,819
Subtotal	23,323	24,695
Adjustment to budget	(1,316)	(1,107)
Subtotal	22,006	23,588
<u>Operational</u>		
District Nursing Services	3,730	3,883
Community Nursing Services	197	323
Community Addiction Services	2,600	2,685
Community Based AHP Services	6,243	6,397
Public Dental Service	1,027	1,040
Services provided outwith a hospital in relation to geriatric medicine	1,075	1,090
Palliative Care (delivered in Community)	74	77
Community Learning Disability Services	765	712
Community Mental Health Services	3,664	4,274
Continence Services	145	147
Services Provided by health professionals to promote public health	955	963
Community Hospitals (recurrent budget)	5,224	5,814
Resource Transfer	8,465	8,576
Joint Partnership Agreements	1,723	1,792
Partnership Funds (ICF/ Delayed Discharge / Bridging)	2,202	2,454
Shared Partnership Costs	142	150
Integration Fund Pass Through Funding	8,838	23,072
Reserves	242	-
Subtotal	47,312	63,450
<u>Universal</u>		
Primary Medical Services (GMS Contract)	26,406	29,565
Primary Dental Services (GDS Contract)	8,248	9,440
Community Ophthalmic Services	2,686	2,770
Community Pharmaceutical Services	37,067	38,289
GP Out of Hours Services	2,187	2,025
Subtotal	76,594	82,090
Total Health Services	145,911	169,128

Social Care Services - Clackmannanshire		
Long Term Care	10,668	12,062
Care at Home	7,649	9,326
Day Care	291	230
Housing with Care	279	162
Respite Care	61	(1)
Staffing	6,629	7,649
Direct Payments	981	789
Third Party Payments	731	993
Supplies & Services	398	348
Premises	34	103
Transport	45	23
Housing Aids and Adaptions	149	42
Income	(4,547)	(4,162)
Resource Transfer	(7,239)	(10,298)
Share Partnership Costs	57	60
Total Social Care Services - Clackmannanshire	16,187	17,326
Social Care Services - Stirling		
Long Term Care	14,544	15,420
Housing Aids & Adaptations	788	373
Voluntary Orgs / 3rd Sector	1,063	984
Sensory Services	168	175
Daycare	1,551	150
JLES	327	220
Equipment	201	207
Respite	557	1,057
Care and Support at Home	16,887	16,751
Integration Fund	(5,563)	(5,342)
Transport	87	41
Alcohol & Drug Services	371	286
Resource Transfer	(5,214)	(5,371)
MECS / Telecare / Telehealth	327	608
Reablement	1,601	1,836
Bellfield Centre	4,763	3,937
Strathendrick	-	523
Streets Ahead	-	317
Riverbank	-	446
Appropriate Adults	-	18
Quality Assurance	-	21
Self-Directed Support	-	39
Unachieved Savings	-	(1,138)
Staffing	4,321	4,839
Direct Payments	957	1,080
Reserves	-	(672)
Share Partnership Costs	85	90
Total Social Care Services - Stirling	37,818	36,895
Partnership Total	199,916	223,349

Independent auditor's report to the members of Clackmannanshire and Stirling 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 Clackmannanshire and Stirling Integration Joint Board for the year ended 31 March 2021 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of Clackmannanshire and Stirling Integration Joint Board as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 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 under arrangements approved by the Accounts Commission on 07/01/2019. The period of total uninterrupted appointment is 3 years. I am independent of Clackmannanshire and Stirling 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 Clackmannanshire and Stirling 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 Clackmannanshire and Stirling 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.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Finance Officer and Audit & Risk Committee for the financial statements

As explained more fully in the Statement of the Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting

framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing Clackmannanshire and Stirling 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 deemed inappropriate. The Audit & Risk 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 economic 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:

- obtaining an understanding of the applicable legal and regulatory framework and how Clackmannanshire and Stirling Integration Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of Clackmannanshire and Stirling Integration Joint Board;
- assessing 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 Clackmannanshire and Stirling 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 part of the Remuneration Report

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Statutory other information

The Chief Finance Officer is responsible for the statutory other information in the annual accounts. The statutory 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 statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in 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 statutory 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 statutory 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 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; or
- there has been a failure to achieve a prescribed financial objective.

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 the 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 120 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 Cornett FCPFA
Audit Director
Audit Scotland
8 Nelson Mandela Place
Glasgow
G2 1BT

Clackmannanshire & Stirling Integration Joint Board Audit and Risk Committee

22 November 2021

Agenda Item 9

Internal Audit Operational Plan 2021/22

For Approval

Paper Approved for Submission by:	Ewan Murray, Chief Finance Officer
Paper presented by	A Gaskin
Author	A Gaskin
Exempt Report	No

Directions	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

Purpose of Report:	The purpose of this paper is to seek approval of the Annual Internal Audit Plan for Clackmannanshire & Stirling Integrated Joint Board (IJB) for 2021/22.
---------------------------	---

Recommendations:	The Integration Joint Board is asked to: 1) Approve the 2021/22 annual plan.
-------------------------	---

1. Background

- 1.1. As stated in the Integrated Resources Advisory Group (IRAG) guidance, it is the responsibility of the IJB to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources.
- 1.2. The Integration Joint Board agreed, on 24 February 2016, that Internal Audit services would be provided by the Internal Audit teams within the constituent authorities, with responsibility for Chief Internal Auditor duties rotating between those authorities' Chief Internal Auditors on a three-year basis. The FTF Chief Internal Auditor was nominated as Chief Internal Auditor for the three-year period covering the financial years up to 31 March 2022.
- 1.3. Public Sector Internal Audit Standards set out the need to establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. The draft operational plan for 2021/22 has been designed to target the priority issues identified by our assessment of risk. The plan includes the delivery of standard products required each year, and is further based on professional judgement of the IJB risk environment. We therefore assessed audit need based on the IJB's own strategic risks as well as areas for improvement noted in the Governance Statement, findings from the 2020/21 Annual Internal Audit Report and benchmarking with other IJBs.
- 1.4. Covid-19 has had have a substantial impact on the risk profile of the organisation and our view is that a full a review of the IJB Strategic Commissioning Plan and its underlying assumptions will be required, potentially resulting in significant revisions to the SCP and its supporting documents as well as the IJB strategic risk register which will need to be updated to reflect fully the impact of Covid and the revised objectives and risks arising from the updated Strategic Commissioning plan once produced.

- 1.5. Therefore, whilst this draft Internal Audit Operational Plan 2021/22 has taken into consideration the IJB's current Strategic Risk Register, as well as account issues identified in recent Internal Audit reports, the emergent nature of the risk profile means that there will be no benefit from attempting to compile a full Strategic Audit Plan at this stage.
- 1.6. We would highlight that the plan is predicated on the basis that operational controls over services are maintained and assured through the parties. An Internal Audit Joint Working Protocol has been agreed by the Internal Auditors of both parties and by the Audit & Risk Committee. Audit and Risk Committee members are asked to note that audits to be shared under the output sharing protocol will provide additional assurance to the IJB.

2. Process

- 2.1. Resources to deliver the plan will be provided by the NHS Forth Valley and the Clackmannanshire Council and Stirling Council Internal Audit services. A total of 60 days have been included in the 2021/22 Internal Audit Plans of the parties to deliver internal audit reviews for Clackmannanshire & Stirling IJB. We expect to deliver the 2021/22 plan by June 2022.
- 2.2. Due to the significant and emergent impact of Covid-19 on the risk profile of the organisation, an Internal Audit planning process which relied on a relatively static risk environment and change generally occurring in the medium to long term was no longer viable. As such, our view is very much that the plan will need to be flexible, responsive to the requirements of senior management and non-executive directors and, to a certain extent, emergent as the risk profile changes and new information becomes available.
- 2.3. In order to provide a starting point for discussion, we have obtained the views of the Chief Officer and Chief Finance Officer with greater emphasis on the organisations current rather than cyclical needs, focusing on emergent risks and those with most immediacy, as the basis for a first draft plan which we will adapt to the views of the Audit and Risk Committee.
- 2.4. However, we know that the organisational risk profile is changing rapidly, as is organisational understanding of those risks and we will continuously review the plan and update as required, with approval sought from the Audit and Risk Committee for any changes required.
- 2.5. Internal Audit will continue to work with the IJB to develop further a process and timetable for a holistic Assurance Mapping process to identify key sources of assurance and any gaps in independent assurance, which will then be taken into account in the formation of future Internal Audit plans and audit scopes. The IJB Business Manager is part of a wider group with membership from four mainland Health Boards who share best practice, liaise with national governance developments and produce principles which can be adopted and applied locally. In particular, any approach will be undertaken to ensure congruence with proposed developments in NHS Forth Valley, whilst being tailored to meet the specific requirements of the IJB.

3. Conclusions

- 3.1. The audit plan is designed to provide the Chief Internal Auditor with sufficient evidence to form an opinion on the adequacy and effectiveness of internal controls. Work to deliver the internal audit plan is undertaken under the supervision of the Chief Internal Auditor.
- 3.2. The Audit Committee is therefore asked to approve the Operational Internal Audit Plan 2021/22, noting that amendments may be required should risks change significantly.

4. Appendices

Appendix 1: Internal Audit Plan

Fit with Strategic Priorities:	
Care Closer to Home	<input type="checkbox"/>
Primary Care Transformation	<input type="checkbox"/>
Caring, Connected Communities	<input type="checkbox"/>
Mental Health	<input type="checkbox"/>
Supporting people living with Dementia	<input type="checkbox"/>
Alcohol and Drugs	<input type="checkbox"/>
Enabling Activities	
Technology Enabled Care	<input type="checkbox"/>
Workforce Planning and Development	<input type="checkbox"/>
Housing and Adaptations	<input type="checkbox"/>
Infrastructure	<input type="checkbox"/>
Implications	
Finance:	There are no resource implications arising from the recommendations in this report. Finance risks are a key issue for the IJB and will be incorporated within our assurance mapping and risk management work.
Other Resources:	This report, and the provision of an internal audit service in general, helps the Integration Joint Board and the Partnership in their delivery against National Health & Wellbeing Outcome 9: Resources are used effectively and efficiently to deliver Best Value.
Legal:	The internal audit Strategic and Annual Plans help to ensure that the Integration Joint Board complies with the Local Authority Accounts (Scotland) Regulations 2014. The plans are aligned with the Integration Joint Board's Strategic Risk Register. The delivery of an Internal Audit service in itself helps address risk HSC002 in the Strategic Risk Register: Leadership, Decision Making and Scrutiny (including

	effectiveness of governance arrangements and potential for adverse audits and inspections).
Risk & mitigation:	Adequate and effective governance arrangements, including risk management and internal control, are necessary to deliver the outcomes and priorities of the IJB and are a key theme in this year, when all risks will need to be reviewed and potentially revised significantly.
Equality and Human Rights:	The content of this report does not require a EQIA No equalities issues arise from the recommendations of this report.
Data Protection:	The content of this report does not require a DPIA
Fairer Duty Scotland	<p>Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.</p> <p>The Guidance for public bodies can be found at: Fairer Scotland Duty: guidance for public bodies - gov.scot (www.gov.scot)</p> <p>Please select the appropriate statement below:</p> <p>This paper does not require a Fairer Duty assessment.</p>

The proposed plan is set out below:

Ref	Audit	Indicative Scope	Days
CS01-22	Audit Planning and Management	Liaison with management and attendance at Audit & Risk Committee. Preparation of Annual Internal Audit Plan	3
CS02-22	Audit Follow-up	Follow-up of previous Internal Audit recommendations and agreed governance actions	2
CS03-22	Annual Internal Audit Report	CIA's annual assurance statement to the IJB and review of governance self-assessment	5
CS04-22	Governance & Assurance	Ongoing support and advice in relation to governance arrangements. Review and consolidation of outstanding Internal Audit, External Audit, MSG and Strategic Improvement Action Plan recommendations and actions.	10
CS05-22	Strategic Commissioning Plan	Review of detailed arrangements for preparation of the revised Strategic Commissioning Plan and follow up of action to address Action point 1 from the 2020/21 IJB Annual Internal Audit Report. Compliance with the Participation & Engagement Strategy 2020-2023 as it applies to development of the Strategic Commissioning Plan (links to strategic risk HSC006 – 'Experience of service users/patients/unpaid carers', will be considered as a specific topic, which may well be reported separately, given its importance and to allow work to be allocated between different partner body audit teams. The Audit will be undertaken in two Phases. The first to assess preparation and planning for the development of SCP against the '5Ps': principles, parameters, process, product and priorities. The audit will consider key governance and project management principles and provide input at an early stage so that any identified gaps can be incorporated into the process, also bringing in any best practice identified elsewhere. The second phase will assess the extent to which the agreed process has been implemented effectively. The timing will be dependent on progress within the IJB.	30
CS06-22	Assurance mapping	Continued advice and input on the application of Assurance Mapping principles to the update of the Risk Strategy and Risk Register, allowing the IJB to understand the level of assurance it can place on internal control and informing the production of future Internal Audit plans and any future assurance developments for the IJB.	10

Clackmannanshire & Stirling Integration Joint Board Audit and Risk Committee

22 November 2021

Agenda Item 10

Internal Audit Charter

For Approval

Paper Approved for Submission by:	Ewan Murray, Chief Finance Officer
Paper presented by	A Gaskin
Author	A Gaskin
Exempt Report	No

Directions	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

Purpose of Report:	The aim of this paper is to provide the opportunity to review the Internal Audit Charter for Clackmannanshire & Stirling IJB.
---------------------------	---

Recommendations:	<p>The Integration Joint Board is asked to:</p> <p>1) Approve the updated Internal Audit Charter for Clackmannanshire & Stirling IJB.</p>
-------------------------	---

1. Background

- 1.1. The IJB previously considered and approved the Internal Audit Charter, which had been drafted in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) applicable to both Health and Local Authority Internal Audit services, on 9 December 2020. It was agreed that the charter would be reviewed, updated and approved annually.
- 1.2. The Charter sets out the purpose of the internal audit function as defined within the Public Sector Internal Audit Standards. It establishes the scope of the Internal Audit function and lays out the requirements of the Chief Internal Auditor. The role of the Chief Internal Auditor and the authority of that position is set out clearly alongside the controls in place to provide assurance on independence, ethics, confidentiality and objectivity.
- 1.3. There have been no fundamental changes to PSIAS, or to the operation of the Audit and Risk Committee or Internal Audit and therefore the Charter remains unchanged.

2. Process

- 2.1. The IJB previously considered and approved the Internal Audit Charter, which had been drafted in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) applicable to both Health and Local Authority Internal Audit services, on 9 December 2020. It was agreed that the charter would be reviewed, updated and approved annually.
- 2.2. The Charter sets out the purpose of the internal audit function as defined within the Public Sector Internal Audit Standards. It establishes the scope of the Internal Audit function and lays out the requirements of the Chief Internal Auditor. The role of the Chief Internal Auditor and the authority of that position

is set out clearly alongside the controls in place to provide assurance on independence, ethics, confidentiality and objectivity.

- 2.3. There have been no fundamental changes to PSIAS, or to the operation of the Audit and Risk Committee or Internal Audit and therefore the Charter remains unchanged.

3. Appendices

Appendix 1 – Internal Audit Charter

Fit with Strategic Priorities:	
Care Closer to Home	<input type="checkbox"/>
Primary Care Transformation	<input type="checkbox"/>
Caring, Connected Communities	<input type="checkbox"/>
Mental Health	<input type="checkbox"/>
Supporting people living with Dementia	<input type="checkbox"/>
Alcohol and Drugs	<input type="checkbox"/>
Enabling Activities	
Technology Enabled Care	<input type="checkbox"/>
Workforce Planning and Development	<input type="checkbox"/>
Housing and Adaptations	<input type="checkbox"/>
Infrastructure	<input type="checkbox"/>
Implications	
Finance:	There are no resource implications arising from the recommendations in this report.
Other Resources:	This report, and the provision of an internal audit service in general, helps the Integration Joint Board and the Partnership in their delivery against National Health & Wellbeing Outcome 9: Resources are used effectively and efficiently to deliver Best Value.
Legal:	The delivery of an Internal Audit service in itself helps address risk HSC002 in the Strategic Risk Register: Leadership, Decision Making and Scrutiny (including effectiveness of governance arrangements and potential for adverse audits and inspections).
Risk & mitigation:	Adequate and effective governance arrangements, including risk management and internal control, are necessary to deliver the outcomes and priorities of the IJB.
Equality and Human Rights:	The content of this report does not require a EQIA No equalities issues arise from the recommendations of this report.
Data Protection:	The content of this report does not require a DPIA

<p>Fairer Duty Scotland</p>	<p>Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.</p> <p>The Guidance for public bodies can be found at: Fairer Scotland Duty: guidance for public bodies - gov.scot (www.gov.scot)</p> <p>Please select the appropriate statement below:</p> <p>This paper does not require a Fairer Duty assessment.</p>
--	---

FTF Internal Audit Service

Clackmannanshire & Stirling IJB Internal Audit Charter

November 2021

Clackmannanshire and Stirling IJB Internal Audit Charter

Table of contents

Introduction	2
Purpose and responsibility	2
Authority and Accountability	3
Scope	3
Risk Management	4
Irregularities, Fraud & Corruption	4
Independence and Objectivity	4
Appointment of CIA and Internal Audit Staff, Professionalism, Skills & Experience	5
Relationships	5
Standards, Ethics, and Performance	6
Reporting arrangements	6
Assurances provided to parties outside the organisation	6
Approach	6
Access and Confidentiality	6
Quality Assurance	7
Resolving Concerns	7
Review of the Internal Audit Charter	7

Introduction

Public Sector Internal Audit Standards require each organisation to agree an Audit Charter which is regularly updated following approval by the Board, in this case through the Audit and Risk Committee of Clackmannanshire and Stirling IJB. This Charter is complementary to the relevant provisions included in the organisation's own Standing Orders (SOs) and Standing Financial Instructions (SFIs), which include provision for the delivery of audit services to Clackmannanshire and Stirling IJB.

The terms 'Board' and 'senior management' are required to be defined under the Standards and therefore have the following meaning in this Charter:

- Board means the Integration Joint Board (IJB) with responsibility to direct and oversee the activities and management of the organisation. The Board has delegated authority to the Audit and Risk Committee in terms of providing a reporting interface with internal audit activity; and
- Senior Management means the Chief Officer as being the designated Accountable Officer for Clackmannanshire and Stirling IJB. The Chief Officer has made arrangements within this Charter for an operational interface with internal audit activity through the Chief Finance Officer;

In addition, for clarity, the following definitions are explained:

- FTF Audit and Management Services (FTF) are the Internal Auditors for NHS Forth Valley and under the agreed terms of rotation, provide the Chief Internal Auditor (CIA) role for Clackmannanshire and Stirling IJB. FTF and Clackmannanshire and Stirling City Council Internal Audit services have committed resources to support Clackmannanshire and Stirling IJB's Internal Audit requirements and allow delivery of the Internal Audit function.
- Accountable Officer means the Chief Officer;
- Partner bodies means Clackmannanshire and Stirling City Council and NHS Forth Valley.

Purpose and responsibility

Within the organisation, responsibility for internal control rests fully with management to ensure that appropriate and adequate arrangements are established. *"Internal audit is an independent, objective assurance and consulting function designed to add value and improve the operations of NHS Forth Valley. Internal audit helps the organisation accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes." Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.* (See Annex 1 for FTF Mission Statement).

Internal Audit is responsible for providing an independent and objective assurance opinion to the Accountable Officer, the Board and the Audit Committee on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In addition, internal audit's findings and recommendations are beneficial to management in securing improvement in the audited areas.

The Shared Services Agreement and associated Service Specification between FTF and NHS Forth Valley set out their specific responsibilities as internal auditors to NHS Forth Valley and by extension, to Clackmannanshire and Stirling IJB.

Authority and Accountability

Internal Audit derives its authority from the Integration Joint Board, the Accountable Officer and Audit and Risk Committee. These authorities are established in Standing Orders and Standing Financial Instructions adopted by the Board.

The Chief Internal Auditor (CIA) leads the internal audit activity and assigns a named contact to each client. For line management (e.g. individual performance) and professional quality purposes (e.g. compliance with the Public Sector Internal Audit Standards), the Regional Audit Managers report to the Chief Internal Auditor. A joint working protocol has been agreed between the Local Authority and NHS Internal audit services to ensure work is performed to the required standards.

The Chief Internal Auditor reports on a functional basis to the Accountable Officer and to the Audit and Risk Committee on behalf of the Board. Accordingly the Chief Internal Auditor has a direct right of access to the Accountable Officer, the Chair of the Audit and Risk Committee and the Chair of the IJB if deemed necessary.

The Audit and Risk Committee approves all Internal Audit plans and may review any aspect of its work. The Audit and Risk Committee provides for the opportunity for private meetings with the Chief Internal Auditor. The Audit and Risk Committee Chair and members have a right to have private meetings with the Chief Internal Auditor and vice versa if issues cannot be addressed through Audit and Risk Committee meetings.

In order to facilitate its assessment of governance within the organisation, Internal Audit is granted access to attend any committee, sub-committee or group of the Board charged with aspects of governance.

Scope

The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management arrangements, systems of internal control, and the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives. It includes but is not limited to:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify measure, classify, and report such information;
- Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations, and reports on whether the organisation is in compliance;
- Reviewing assurances received on internal controls operating through partner bodies;
- Reviewing and appraising the economy and efficiency with which resources are employed, this may include benchmarking and sharing of best practice;
- Reviewing assurances received that directions are consistent with the organisation's objectives and goals are being carried out as planned;
- Reviewing specific operations at the request of the Audit and Risk Committee or management, this may include areas of concern identified in the corporate risk register;
- Monitoring and evaluating the effectiveness of the organisation's risk management arrangements and the overall system of assurance (see below);
- Ensuring effective co-ordination, as appropriate, with external auditors; and
- Reviewing Annual Governance Statement prepared by senior management.

Internal Audit will devote particular attention to any aspects of the risk management, internal control and governance arrangements affected by material changes to the organisation's risk environment.

If the Chief Internal Auditor or the Audit and Risk Committee consider that the level of audit resources or the Charter in any way limit the scope of internal audit, or prejudice the ability of internal audit to deliver a service consistent with the definition of internal auditing, they will advise the Accountable Officer and Board accordingly.

Risk Management

Internal Audit will liaise with both the Audit and Risk Committee and senior management as part of our annual internal audit planning process to discuss the alignment of audit priorities to strategic and emerging risks. This will include the strategic risks not being audited in-year to enable a discussion about coverage and the level of audit resource.

Periodically, a detailed review of risk management arrangements will be undertaken by internal audit as well as an annual high level review as part of the governance assessment to inform the Annual Internal Audit report and specifically the Chief Internal Auditor's opinion on the adequacy and effectiveness of internal control.

Irregularities, Fraud & Corruption

It is the responsibility of management to maintain systems that ensure the organisation's resources are utilised in the manner and on activities intended. This includes the responsibility for the prevention and detection of fraud and other illegal acts.

Internal Audit shall not be relied upon to detect fraud or other irregularities. However, Internal Audit will give due regard to the possibility of fraud and other irregularities in work undertaken. Additionally, Internal Audit shall seek to identify weaknesses in control that could permit fraud or irregularity.

If Internal Audit discovers suspicion or evidence of fraud or irregularity, this will immediately be reported to the organisation's NHS Fraud Liaison Officer in accordance with the relevant partner's Fraud policy/Plan and in line with S10 of the SSA.

Independence and Objectivity

Independence as described in the Public Sector Internal Audit Standards is the freedom from conditions that threaten the ability of internal audit to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Chief Internal Auditor will have direct and unrestricted access to the Board and Senior Management, in particular the Chair of the Audit and Risk Committee and the Accountable Officer.

Organisational independence is effectively achieved when the auditor reports functionally to the Audit and Risk Committee on behalf of the Board. Such functional reporting includes the Audit and Risk Committee:

- approving the internal audit charter;
- approving the risk based internal audit plan;
- receiving outcomes of all internal audit work together with the assurance rating; and
- reporting on internal audit activity's performance relative to its plan.

Whilst maintaining effective liaison and communication with the organisation, as provided in this Charter, all internal audit activities shall remain free of untoward influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective attitude necessary in rendering reports.

Internal Auditors shall have no executive or direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be subject to Internal Audit.

This Charter makes appropriate arrangements to secure the objectivity and independence of internal audit as required under the standards. The Shared Services Agreement between FTF and NHS Forth Valley sets out the operational independence of FTF as internal auditors. In particular it states '*FTF may be called upon to provide advice on controls and related matters, subject to the need to maintain objectivity and to consider resource constraints. Normally FTF will have no executive role nor will it have any responsibility for the development, implementation or operation of systems. Any internal audit input to systems development work will be undertaken as specific assignments. In order to preserve independence and objectivity, any such involvement in systems development activities will be restricted to the provision of advice and ensuring key areas in respect of control are addressed.*'

FTF have controls in place to ensure compliance with the relevant aspects of the Public Sector Internal Audit Standards and the wider requirement to conform with NHSScotland standards of conduct regulations.

Similarly, Clackmannanshire and Stirling City Council Internal Audit have a Charter in place which set out how to maintain the internal auditors' independence and objectivity.

Appointment of CIA and Internal Audit Staff, Professionalism, Skills & Experience

Under the Service Specification for FTF, NHS Fife, as the host body, is responsible for appointing a CIA who is a member of a CCAB Institute or CMIIA with experience equivalent to at least five years post-qualification experience and at least three years of audit.

The Specification also sets out the required qualified skill-mix and the proportion of the Audit Plan to be delivered by the Chief Internal Auditor, Regional Audit Manager and other qualified staff as well as specifying the responsibility of FTF to ensure staff are suitably trained with appropriate skills with a formal requirement for preparation and maintenance of Personal Development Plans for all audit staff. These provisions apply to the totality of the service provided to NHS Forth Valley and are also applicable to Clackmannanshire and Stirling IJB, although not specifically measured for them.

Relationships

The Chief Internal Auditor will maintain functional liaison to the Chief Finance Officer who has been nominated by the Accountable Officer as executive lead for internal audit.

In order to maximise its contribution to the Board's overall system of assurance, Internal Audit teams will work closely with each other as well as IJB Management in planning its work programme. Co-operative relationships between the audit teams and with management enhance the ability of internal audit to achieve its objectives effectively. Audit work will be planned in conjunction with partner auditors as well as management, particularly in respect of the timing of audit work.

Internal Audit will meet regularly with the external auditor to consult on audit plans, discuss matters of mutual interest, discuss common understanding of audit techniques, method and terminology, and to seek opportunities for co-operation in the conduct of audit work. In particular, internal audit will make available their working files to the external auditor for them to place reliance upon the work of Internal Audit where appropriate.

Internal Audit strives to add value to the organisation's processes and help improve its systems and services. To support this, Internal Audit will obtain an understanding of the organisation and its activities, encourage two way communications between internal audit and operational staff, discuss the audit approach and seek feedback on work undertaken.

Subject to the availability of resources, FTF and its staff shall co-operate and respond to reasonable requests or give support in situations, whether or not they are detailed in the specification.

Standards, Ethics, and Performance

Internal Audit must comply with the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing. The CIA will discuss the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework with senior management and the Board.

Internal Audit will report progress against the annual internal audit plan to each meeting of the Audit and Risk Committee.

Reporting arrangements

Arrangements for reporting individual assignments are contained within the Audit Joint Working Protocol approved by the Audit and Risk Committee.

Internal Audit will produce an Annual Audit Report for each audit year in time to provide the assurance required in considering the Board's Annual Accounts.

The Annual Audit Report should contain:

- *An opinion on whether:*
 - ✧ *Based on the work undertaken, there were adequate and effective internal controls in place throughout the year;*
 - ✧ *The Accountable Officer has implemented a governance framework in line with required guidance sufficient to discharge the responsibilities of this role;*
 - ✧ *The Internal Audit plan has been delivered in line with PSIAS;*
- *Analysis of any changes in control requirements during the year;*
- *Comment on the key elements of the control environment.*

Assurances provided to parties outside the organisation;

Internal Audit will not provide assurance on activities undertaken by Clackmannanshire and Stirling IJB to outside parties without specific instruction from Clackmannanshire and Stirling IJB or as per the approved output sharing protocol.

Approach

To ensure delivery of its scope and objectives in accordance with the Charter, the lead Internal Audit team has arrangements in place for annual and strategic planning, individual audit assignment planning and reporting. Fieldwork allocated to either or both Internal Audit teams will be conducted in accordance with the normal audit approach adopted by that team, including appropriate quality assurance processes.

Access and Confidentiality

Internal Audit shall have the authority to access all the organisation's information, documents, records, assets, personnel and premises that it considers necessary to fulfil its role. This shall extend to the resources of the third parties that provide services on behalf of the organisation.

All information obtained during the course of a review will be regarded as strictly confidential to the organisation and shall not be divulged to any third party without the prior permission of the Accountable Officer. S6.6 of the Shared Service Agreement sets out those circumstances

in which reports and working papers will be shared with the statutory External Auditors and the application of the Freedom of Information (Scotland) Act 2002. A separate protocol is in place which sets out the sharing of information and reports amongst partner bodies or other Forth Valley IJBs.

Quality Assurance

The Chief Internal Auditor has established a quality assurance programme designed to give assurance through internal and external review that the work of Internal Audit is compliant with the Public Sector Internal Audit Standards and to achieve its objectives. A commentary on compliance against PSIAS will be provided in the Annual Internal Audit Report.

Resolving Concerns

The Chief Internal Auditor will be responsible for managing the delivery of the internal audit service. The CIA will be available to meet with the Chief Finance Officer as required to discuss the service and any issues arising. If the matter is not resolved to the satisfaction of the Client, the matter shall be presented to the next available meeting of the Audit and Risk Committee.

Review of the Internal Audit Charter

This Internal Audit Charter shall be reviewed annually and approved by the Audit and Risk Committee.

Date: November 2021

Date of next review: November 2022.

Annex 1 FTF Mission Statement

Mission and values

The purpose of the internal audit function has been defined within the Public Sector Internal Audit Standards (PSIAS). FTF, following discussion with staff and the Management Board has developed a mission and vision statement which incorporates this definition as well as additional elements reflecting our way of delivering the audit function as follows:

WORKING TOGETHER TO PROVIDE ASSURANCE AND ADD VALUE

We achieve this by following the Public Sector Internal Audit Standards:

*“Internal Audit is an independent, objective **assurance** and consulting activity designed to **add value** and **improve** an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.*

We work with our clients to provide an excellent service by understanding their values, their objectives and risks and the environment in which they operate. We value and listen to our staff and ensure that they have the skills and knowledge they require to help us to succeed, continuously assessing and improving the service we provide.

Clackmannanshire & Stirling Integration Joint Board Audit and Risk Committee

22 November 2021

Agenda Item 11

Strategic Risk Register

For Approval

Paper Approved for Submission by:	Ewan Murray, Chief Finance Officer
Paper presented by	Ewan Murray, Chief Finance Officer
Author	Ewan Murray, Chief Finance Officer
Exempt Report	No

Directions	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

Purpose of Report:	To provide the Audit and Risk Committee with the Strategic Risk Register for review and approval.
---------------------------	---

Recommendations:	<p>The Audit and Risk Committee is asked to:</p> <p>1) Review and approve the Strategic Risk Register</p>
-------------------------	---

1. Background

- 1.2 In line with approved Performance Reporting Frameworks the Integration Joint Board receives updates on high risks on an exception basis.
- 1.3 The Audit and Risk Committee undertakes a scrutiny function for the Integration Joint Board to scrutinise and review the full Strategic Risk Register.
- 1.4 The Strategic Risk Register is regularly reviewed by the HSCP Senior Leadership Team (SLT) and updated thereafter by the Chief Finance Officer. The most recent review was 15 November 2022
- 1.5 Work is ongoing with Risk Leads from constituent authorities to review and align risk management arrangements. Agreement has been made to establish a quarterly risk management network and work in ongoing to update the Risk Management Framework. It is anticipated this will be presented to the February 2022 meeting.
- 1.6 A summary of the current 16 Strategic Risks are shown in Table 1 below, with movements in risk ratings from the last meeting.
- 1.7 A temporary additional to the Strategic Risk Register for Risks relating to COP26 was made and has now been removed post closure of the conference and associated events.

Table 1

Strategic Risk	Risk Direction	Previous Score June 2021	Current Score November 2021	Target Score
1. Financial Resilience	↔	16	16	9
2. Leadership, Decision Making and Scrutiny	↔	12	12	8
3. Sustainability of partnership	↔	16	16	3
4. Performance Framework	↔	12	12	4
5. Culture/HR/Workforce planning	↔	9	9	3
6. Experience of service users/patients/unpaid carers	↔	9	9	6
7. Information Management and Governance	↓	16	12	9
8. Information Sharing Process and practice	↔	16	16	12
9. Effective links with other partnership	↔	6	6	6
10. Harm to Vulnerable People, Public Protection and Clinical & Care Governance	↔	12	12	4
11. Sustainability and safety of adult placement in external care home and care at home sectors	↑	12	16	4
12. Health and Social Care workforce demographic / resilience of service	↔	16	16	6
13. Potential Impact of the UK Decision to Leave the EU	↓	12	9	9
14. Ability to Deliver Primary Care Improvement Plan	↔	16	16	9
15. GP Sustainability	↔	16	16	9
16. COVID-19	↑	9	16	6

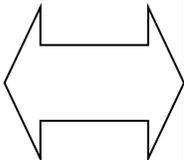
2. Appendices

Appendix 1 - Strategic Risk Register

Fit with Strategic Priorities:	
Care Closer to Home	<input type="checkbox"/>
Primary Care Transformation	<input type="checkbox"/>
Caring, Connected Communities	<input type="checkbox"/>
Mental Health	<input type="checkbox"/>
Supporting people living with Dementia	<input type="checkbox"/>
Alcohol and Drugs	<input type="checkbox"/>
Enabling Activities	
Technology Enabled Care	<input type="checkbox"/>
Workforce Planning and Development	<input type="checkbox"/>
Housing and Adaptations	<input type="checkbox"/>
Infrastructure	<input type="checkbox"/>

Implications	
Finance:	None.
Other Resources:	None.
Legal:	None.
Risk & mitigation:	None.
Equality and Human Rights:	The content of this report does not require a EQIA.
Data Protection:	The content of this report does not require a DPIA
Fairer Duty Scotland	<p>Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.</p> <p>The Interim Guidance for public bodies can be found at: http://www.gov.scot/Publications/2018/03/6918/2</p> <p>The content of this report does not require Fairer Duty Scotland Assessment</p>

CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

Ref	Risk	Strategic Fit	Likelihood	Impact	Risk Score	Risk Reduction Action (Timescale)	Risk Owner(s)	Notes / Progress	Risk Direction
HSCP 001	Financial Resilience (This risk relates to financial and operational stability, and commissioning. It includes the sustainable capacity across all sectors, and co-location and/or sharing of teams and assets).	1. National Core Outcome 'Resources are Used Effectively & Efficiently' 2. Local Outcome 'Decision Making'	Current (4) Target (3)	Current (4) Target (3)	Current (16) High Target (9) Medium	1. Establishment of revised programme management arrangements including structure to monitor transforming care programme including savings delivery. (Complete) 2. Review and continual assessment of deliverability of efficiency and redesign programmes and alignment to Strategic Plan Priorities (Ongoing) 3. Approval of and periodic monitoring/updating of medium term financial plan to complement and support delivery planning to implement Strategic Plan. (Reviewed at Sept 21 (Ref IJB Finance Report – further review linked to Audit recommendation March 22) 4. Development of further financially sustainable service options aligned to Strategic Priorities and Transformation Themes consideration by IJB. (March 22 as part of Revenue Budget) 5. Agreed process for agreement and payment of contract rates including uplifts. (Annually) 6. Identify and mitigate as far a possible the financial risk associated legislative changes including the Carers Act and Free Personal Care for <65s (Annually as part of revenue	Chief Officer / Chief Finance Officer	Likely to be significant financial challenges in medium term and COVID consequentials drop away and recurrent additional costs require to be met through core budget settlements. Further review of MTFP will also require to be aligned to refresh of Scottish Government Medium Term Financial Framework for health and social care and spending review.	

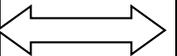
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

Ref	Risk	Strategic Fit	Likelihood	Impact	Risk Score	Risk Reduction Action (Timescale)	Risk Owner(s)	Notes / Progress	Risk Direction
						budget) 7. Develop planning and shared accountability arrangements for Unscheduled Care and the 'set aside' budget for large hospital services. (Update November 2021) 8. Review of Governance Framework including Scheme of Delegation, Financial Regulations and Reserves Policy and Strategy as part of prudent financial planning and management arrangements. (Reserves updated – review of Scheme of Delegation by March 22) 9. Development of alignment of investment to Strategic Commissioning Plan priorities and consideration of future disinvestment options (Ongoing) 10. Horizon Scanning arrangements internally and externally including use of economic outlook information (Ongoing & updates via Finance Reports) 11. Financial Reporting to Integration Joint Board, Strategic Planning Group and Partnership Senior Leadership Management Team, development of Financial Reporting Improvement Plan (Reporting Ongoing – linked to 20/21 AAR recommendation) 12. Ongoing monitoring of demand trends and			

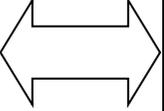
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

Ref	Risk	Strategic Fit	Likelihood	Impact	Risk Score	Risk Reduction Action (Timescale)	Risk Owner(s)	Notes / Progress	Risk Direction
						<p>relationship between investment and key performance indicators including Delays to Discharge, Early Intervention and Prevention Etc. Modelling additional potential future demand impact of COVID. (Ongoing – scenarios being build for IJB Business Case Dec 21)</p> <p>13. Review of Terms of Reference of Finance and Performance Committee (Nov 21)</p> <p>14. Preparation and submission to Scottish Government of regular LMP/RMP(Local (re)Mobilisation Plan) COVID19 costs returns. (In place and quarterly returns in 2021/22)</p> <p>15. Use of Benchmarking including Investment Levels from Constituent Authorities and Early Intervention and Prevention where and when possible. (Ongoing)</p> <p>16. Operational Grip and Control Meetings and Enhanced Accountability Framework for Senior Managers (in place subject to ongoing development)</p> <p>17. Implement Pan FV Budget Monitoring & Oversight Arrangements (In place)</p>			

CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 002</p>	<p>Leadership, Decision Making and Scrutiny (including effectiveness of governance arrangements and potential for adverse audits and inspections).</p>	<p>1. National Core Outcome 'Resources are Used Effectively & Efficiently' 2. Local Outcome 'Decision Making'</p>	<p>Current (3) Target (2)</p>	<p>Current (4) Target (4)</p>	<p>Current (12) Medium Target (8) Low</p>	<p>1. Development of Transforming Care Board including input from Chief Executives and other senior officers of constituent authorities and wider partners. (In place) 2. In line with the Participation and Engagement Strategy develop ongoing approach to engagement with public and communities. (ongoing) 3. Board Effectiveness Review, and review of Integration Scheme. (in progress – further consideration of requirement for revised scheme post June 2021) 4. Integration Joint Board development programme (annually) 5. Development of Transforming Care Programme as delivery plan to support the pursuance of Strategic priorities underpinned by Strategic Improvement Plan (in place) 6. Partnership Management Team Development Programme. (Ongoing) 7. Strategic Improvement Plan including RAG status assessment and monitoring (in place). 8. Implementation and reporting of Urgent Decision Making Powers (in place). 9. Ensure preparedness for additional inspections highlighting improvement requirements. (Ongoing)</p>	<p>Chief Officer</p>	<p>Annual Internal and External Audit Reports considered including agreed management responses to recommendations.</p>	
-----------------------	---	---	--	--	--	---	----------------------	--	---

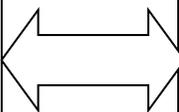
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 003</p>	<p>Sustainability of Partnership (The unique three way Health & Social Care Partnership fails to further develop due to differing priorities and requirements).</p>	<p>1. National Core Outcome 'Resources are Used Effectively & Efficiently'.</p>	<p>Current (4) Target (1)</p>	<p>Current (4) Target (3)</p>	<p>Current (16) High Target (3) Low</p>	<p>1. Establish, implement and periodically review Governance Framework (annually linked to Annual Governance Statement) 2. Regular Meetings of Chief Officer and Chief Executives.(ongoing) 3. Pre Agenda and use of briefings / seminars where appropriate (e.g. budget, NCS Consultation, unscheduled care) (ongoing) 4. Review of Governance and committee arrangements including reviews of committee structure (annually – Finance and Performance Review to IJB Nov 21 – Audit and Risk Planned February 22) 5. Board Development Programme. (annually) 6. Ongoing Staff Engagement Programme (Ongoing) 7. Review of Integration Scheme (requirement for revised Integration Scheme to be reviewed) 8. Review and development of management and professional structures. (in place subject to ongoing development) 9. Investment in Enhanced Management and Professional Leadership Structures including Heads of Service posts. (in place and ongoing) 10. Development of Assurance Frameworks (ongoing informed by Internal Audit review)</p>	<p>Chief Officer/ Chief Finance Officer & Chief Executives of Partner Bodies</p>		
-----------------------	--	---	--	--	--	---	--	--	---

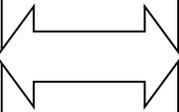
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

						<p>11. Frontline Social Care Review and implementation plan. (ongoing)</p> <p>12. Continue to seek to have positive influence of competing organisational demands and resource priorities of constituent bodies. (ongoing linked to standing committees and panels and budget setting processes)</p> <p>13. Ensure Chief Officer and IJB have single overview of integration functions and services through performance and financial reporting. (development ongoing including link to pan-FV Finance meetings)</p> <p>14. Development of operational service plans and a single overarching operational plan (March 22)</p> <p>15. Align HSCP transformation plan with partners corporate plans (initial mapping complete)</p> <p>16. Continue to work with NHS Chief Executive to complete transfer of operational services and ensure compliance with Public Bodies Act. (ongoing)</p>			
--	--	--	--	--	--	--	--	--	--

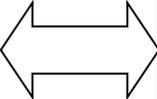
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 004</p>	<p>Performance Framework (This relates to the responsibility of the Health and Social Care Partnership to provide an overview of performance in planning and carrying out the integrated functions in an open and accountable way).</p>	<p>1. National Core Outcome 'Resources are Used Effectively & Efficiently' 2. Local Outcome 'Decision Making'.</p>	<p>Current (3) Target (1)</p>	<p>Current (4) Target (4)</p>	<p>Current (12) Medium Target (4) Low</p>	<p>1. Develop linkage of performance reporting to Strategic Plan Priorities and Outcomes Framework (ongoing) 2. Minimise duplication and bureaucracy to ensure performance management and reporting meaningful and realistic.(ongoing) 3. In relation to Measuring Performance Under Integration create integrated reporting framework and agree and monitor targets / trajectories. (linked to AAR Recommendation March 2022) 4. Further develop approach to Annual Performance Report including future development of planning and reporting at locality level and benchmarking with 'peer' Health and Social Care Partnerships. (annually) 5. Develop workplan for Finance and Performance Committee to undertake performance review and assurance role for IJB. (requires review and updating February 2022) 6. Development of performance measures and reporting at locality level. (ongoing) 7. Agree Improvement Plan with NHS FV to address data issues including SMR data and ensure appropriate planning around unscheduled care (ongoing)</p>	<p>Head Of Service (SP&HI) / Chief Officer / Chief Finance Officer</p>	<p>Risk previously increased given ongoing challenges re data and information locally and nationally and absence of peer reporting in APR.</p>	
-----------------------	--	--	--	--	--	--	--	--	---

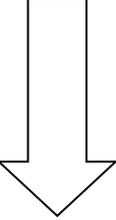
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 005</p>	<p>Culture/HR/ Workforce Planning (This risk relates broadly to the work of Human Resource management across all partners to Workforce Planning for the 'in scope' workforce. It includes developing culture, behaviours and values, as well as sustainable change skills and capabilities).</p>	<p>1. National Core Outcome 'Engaged Workforce', and 'Resources are Used Effectively & Efficiently' 2. Local Outcome 'Decision Making'</p>	<p>Current (3) Target (1)</p>	<p>Current (3) Target (3)</p>	<p>Current (9) Medium Target (3) Low</p>	<p>1. Establish building blocks of inclusive approach to staff engagement at all levels. (Ongoing) 2. Develop multi-disciplinary care pathways and teams. (ongoing) 3. Refresh/ review workforce strategy and plan. (ongoing) 4. Refreshed staff engagement including linkage to Frontline Social Care Review (in place) 5. OD Advisor now appointed and initial priorities agreed. (complete) 6. Move to consistent use of iMatter staff survey platform across the constituent authorities, and the development of reporting infrastructure against HSCP within that system. (in place) 7. Staff Development and Training Programmes including Mandatory Training. (ongoing) 8. Positively manage relationships with Staff Side/Trade Union representatives. (ongoing) 9. Develop integrated reporting infrastructure with partners (Dec 21) 10. Review and gain IJB approval for refreshed workforce plans (March 22 linked to Strategic Plan review)</p>	<p>OD Advisor / Heads of Service</p>	<p>Key strategic plans in place, Workforce Plan was refreshed as part of Strategic Commissioning Plan process, and the Participation & Engagement Strategy has also been refreshed and approved by IJB (Sept 20). Further work on Equalities Mainstreaming requires to be completed.</p> <p>Risk when OD advisor workplan/ objectives agreed and begin to be progressed.</p>	
-----------------------	---	--	-----------------------------------	-----------------------------------	--	--	--------------------------------------	--	---

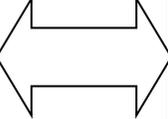
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 006</p>	<p>Experience of service users/patients/unpaid carers (This risk is about failure to engage adequately and fully with stakeholders, in particular groups of service users and their unpaid carers including those who experience inequalities in access and/or outcomes. Includes feedback and learning from complaints. Key challenges in this area are around measuring and evidencing change).</p>	<p>1. National Core Outcome 'Carers are supported', and 'Positive Experiences' and Local Outcome 'Experience' 2. Local Outcome 'Community Focused Supports'</p>	<p>Current (3) Target (2)</p>	<p>Current (3) Target (3)</p>	<p>Current (9) Medium Target (6) Low</p>	<p>1. Implement Participation and Engagement Strategy. (ongoing) 2. Review of Carers Act Implementation (ongoing) 3. Collegiate working across Forth Valley in relation to Ministerial Steering Group (MSG) indicators. (Dec 21) 4. Strategic Commissioning Plan and Budget Consultation process including Strategic Planning Group (in place) 5. Ongoing processes of participation and engagement. (ongoing) 6. Monitor trends in service user satisfaction, (annually as part of APR) 7. Briefing sessions to support service user and unpaid carer IJB members. Offer of devices and training for non voting IJB members. (in place) 8. Inclusion of data within Annual Performance Report (APR) (annually) 9. Establishment of Carers Strategy Group (in place) 10. Equality Duty Report considered by IJB Nov 20 (complete)</p>	<p>Chief Officer/ Head of Service (SP&HI)</p>	<p>An Equality Outcomes and Mainstreaming Report has been considered by the Integration Joint Board in April 2016 and published. Equality and Human Rights Impact Assessment will be completed where required. The IJB report template revised. Local Government Benchmarking Framework</p>	
-----------------------	--	---	--	--	---	---	---	--	---

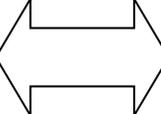
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 007</p>	<p>Information Management and Governance (This risk relates to Information Management and Governance, and the risk of increased demand for relevant areas of provision covering Health & social Care combined. It includes the lack of resources which are fit for purpose, capacity and capability of staff, as well as records and data management processes. It also covers Information and Communication Technology systems, infrastructure, data protection and data sharing).</p>	<p>1. National Core Outcome 'Resources are Used Effectively & Efficiently' 2. Local Outcome 'Decision Making'</p>	<p>Current (3) Target (3)</p>	<p>Current (4) Target (3)</p>	<p>Current (12) Medium Target (9) Medium</p>	<p>1. Ensure and participate in refresh of data sharing governance arrangements including annual assurance report to IJB (September 21 complete) 2. Further Development of Cross ICT system working capabilities across constituent authorities (ongoing) 3. GDPR arrangements. (in place) 4. Participate as key customer in procurement of replacement Adult Social Care information systems. (in place) 6. Take cognisance of systems issues from Frontline Social Care Review (ongoing)</p>	<p>Chair of Data Sharing Partnership / Heads of Service</p>	<p>This risk relates to Information Management and Governance. Including the difference between anonymised information, identifiable information, and performance information.</p>	
-----------------------	--	---	--	--	---	--	---	--	---

CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 008</p>	<p>Information sharing process and practice (This relates to the risk of a lack of a structured common information provision across council social work areas and NHS, which is monitored, evaluated and managed operationally within integrated functions of the Clackmannanshire and Stirling Health and Social Care Partnership).</p>	<p>1. National Core Outcome 'Resources are Used Effectively & Efficiently' 2. Local Outcome 'Decision Making'</p>	<p>Current (4) Target (3)</p>	<p>Current (4) Target (4)</p>	<p>Current (16) High Target (12) Medium</p>	<p>1. Building sufficient capacity and capabilities to carry out analytical functions for partnership in the long term including use of LIST Analysts (ongoing) 2. Appropriate Information Sharing Agreements are in place and reviewed timeously (Annually) 3. Develop use of SOURCE system to inform planning and benchmarking. (ongoing) 4. Explore use of Systems Dynamics Modelling (via LIST support) (ongoing) 5. Memorandum of Understanding being progressed through constituent authorities which will allow LIST team easier access to appropriate information systems (in place) 6. Analytical Workplan (in place subject to regular review) 7. Ensure data sharing agreements are reviewed and refreshed periodically. (annually)</p>	<p>Chair of Data Sharing Partnership / Head of Service (SP&HI)</p>	<p>This risk relates to Information Management and Governance. Including the difference between anonymised information, identifiable information, and performance information. Risk re-assessed and considered higher than previously scored.</p>	
-----------------------	---	---	--	--	--	--	--	--	---

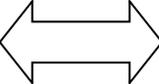
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 009</p>	<p>Effective Links with other Partnerships (This risk relates to partnership planning and effective links with other partnerships. Such as Community Planning, Third and Voluntary Sectors, Criminal Justice, Housing, Falkirk Health and Social Care Partnership, Emergency Planning and Resilience Partnership).</p>	<p>1. National Outcome 'Resources are Used Effectively and Efficiently, and ' People are safe'</p>	<p>Current (2) Target (2)</p>	<p>Current (3) Target (3)</p>	<p>Current (6) Low Target (6) Low</p>	<p>1. Develop statutory links and clarify relationships with Community Planning Partnerships in Clackmannanshire and Stirling including developing plans to lead Wellness Agendas. (in place for Sept 21) 2. Develop links with Public Protection Fora. (in place) 3. Clarification of Relationship and Accountabilities with Alcohol and Drug Partnerships at Forth Valley and Partnership levels. (in place) 4. Develop relationships, linked to approach to Annual Performance Report, with 'peer' Health and Social Care Partnerships (ongoing) 5. Maintain effective working relationships with Third Sector Interface organisations and Providers through mechanisms such as Providers Fora and via Commissioning Consortium development (in place) 6. Ensure officers participate actively in national groups including Chief Officers Group, IJB Chief Finance Officers and Integration Managers Networks (in place) 7. Established and effective relationships with Officers from Falkirk HSCP in relation to pan Forth Valley services and future coordination. (in place) 8. Use of Social Care Insights reports and other benchmarking data such as Local Government</p>	<p>Chief Officer, Head of Service (SP & HI) Chief Finance Officer</p>	<p>Links are currently established with partners, including: a) Criminal Justice Authority (and successors) and Community Planning Partnership (note: these are Statutory links) b) Alcohol and Drugs Partnership (ADP) and Public Protection fora c) Third and Independent Sectors – representation as appropriate at Integration Joint Board and Strategic Planning Group, and representation of HSCP Officers on Third Sector Forum d) Housing Contribution Group</p>	
-----------------------	---	--	--	--	--	--	---	--	---

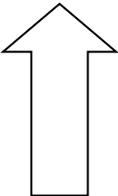
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

						Benchmarking Framework to identify and learn from high performing partnerships. (Annually)			
--	--	--	--	--	--	--	--	--	--

CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 010</p>	<p>Harm to Vulnerable People, Public Protection and Clinical & Care Governance (This risk relates to the risk to self, to others, and from others. Public Protection and involves the strategic work of the Adult Protection Lead Officer, Child Protection Lead Officer, Mental Health Officers, Independent Chair of the Adult and Child Protection Committees, as well as processes such as PVG checking, and training procedures).</p>	<p>1. National Outcome 'Resources are Used Effectively and Efficiently', ' People are safe', 'Positive Experience', 2. 'Quality of life' Local Outcome 'Self-Management' 'Community Focused Supports', 'safety', Experience'</p>	<p>Current (3) Target (1)</p>	<p>Current (4) Target (4)</p>	<p>Current (12) Medium Target (4) Low</p>	<p>1. Integration Joint Board has assurance that services operate and are delivered in a consistent and safe way (timing?) 2. Reviewed Clinical and Care Governance Framework (in place subject to annual review) 3. Whole system working to eliminate delay to discharge arrangements (ongoing) 4. Establishment of Quarterly Clinical and Care Governance Meetings (in place) 5. Linkage with Performance Frameworks (in development) 6. Annual Clinical and Care Governance Assurance Report to IJB (Annually) 7. Self Evaluation of Adult Support and Protection Arrangements (May 21) 8. Care Home Assurance Team in place (complete – clinical element requires review and agreed funding source. 9. Ensure appropriate capacity and training for Adult Support and Protection and recruit to ASP Co-ordinator Role</p>	<p>Chief Social Work Officers / NHS Forth Valley Medical Director / Chair of Clinical and Care Governance Group</p>		
-----------------------	---	---	--	--	--	---	---	--	---

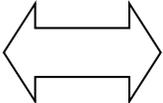
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 011</p>	<p>Sustainability and safety of adult placement in external care home and care at home sectors Both Local Authorities utilise externally commissioned care home placements for adults, particularly older adults. External care homes are commissioned and inspected nevertheless risks arise from the sustainability of care homes as business models; having enough scrutiny at an earlier stage of any risks or concerns within a care home; reviews of adult placements by Local Authorities should take place at a minimum of once a year. Capacity to review is under significant pressure and an escalation method of concern needs put in place. Approach replicated, as appropriate for Care at Home providers.</p>	<p>1. National Outcomes 'People are Safe' 'Positive Experience' 2. Quality of Life</p>	<p>Current (4) Target (2)</p>	<p>Current (4) Target (2)</p>	<p>Current (16) High Target (4) Low</p>	<p>1. Provider forums are in place as is a commissioning and monitoring framework. (in place) 2. There is clear regulation and inspection. (ongoing) 3. The thresholds matrix for homes around adult support and protection has been implemented and is being monitored. (in place) 4. A process for reviews and a clear escalation model is being developed including reporting to the Clinical and Care Governance Group (ongoing). 5. Monitoring of Financial Sustainability of Providers using informatics provided via Scotland Excel and local intelligence (in place) 6. Future consideration of mixed economy options for future models of care. (ongoing) 7. Business continuity planning arrangements. (ongoing) 8. Preparation on Briefings for Senior Officers (including Chief Executives) and IJB Chair and Vice Chair on emergent provider issues (as required) 9. Plan to undertake caseload review. (ongoing) 10. New Care and Support Framework (partially inplace – full implementation by April 22) 11. COVID19 Financial Assistance arrangements. (in place) 12. Strengthening of management structures. (subject to ongoing review)</p>	<p>Heads of Services / Strategic Commissioning Manager /Adult Support and Protection Coord,</p>		
-----------------------	---	--	--	--	--	---	---	--	---

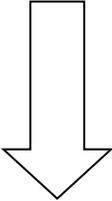
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

						13. Business Continuity Arrangements for Market Oversight and Resilience Planning (in place subject to ongoing review)			
--	--	--	--	--	--	---	--	--	--

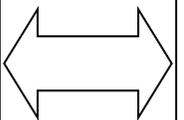
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 012</p>	<p>Health and Social Care workforce demographic / resilience of service. This risk relates to the sustainability workforce due to challenges of demographics and recruitment/retention. Covid is assumed to increase this risk.</p>	<p>Health and Social Care Outcomes</p> <ul style="list-style-type: none"> • People can live well at home for as long as possible • People are safe and live well for longer • People are satisfied with the care they get 	<p>Current (4)</p> <p>Target (2)</p>	<p>Current (4)</p> <p>Target (3)</p>	<p>(16) High</p> <p>Target (6) Low</p>	<ol style="list-style-type: none"> 1. Proactively implement transformation programme working in partnership with staff side. (ongoing) 2. Review models of working and optimise opportunities of integration.(ongoing) 3. Proactive recruitment including opportunities for new roles (ongoing) 4. Explore opportunities with staff to optimise retention. Flexible working, training, education. (ongoing) 5. Consider organisational change opportunities to build workforce capacity. (ongoing) 6. Ensure staff welfare and development are clear priorities with action plans.(ongoing) 7. Work with partners to promote Clackmannanshire and Stirling as a positive area to work and live. (ongoing) 8. Further consideration of workforce wellbeing linked to 21/22 Health and Social Care Winter plan (including resource) 	<p>Head of Services, CH&I and Professional Leads</p>	<p>HSCP OD advisor now started (March 21)</p>	
-----------------------	--	---	--------------------------------------	--------------------------------------	--	---	--	---	---

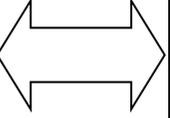
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 013</p>	<p>Potential Impact of the UK Decision to Leave the EU (commonly referred to as Brexit)</p>	<p>1. National Outcome 'Resources are Used Effectively and Efficiently, and ' People are safe'</p>	<p>Current (3) Target (3)</p>	<p>Current (3) Target (3)</p>	<p>9 (Medium) 9 (Medium)</p>	<ol style="list-style-type: none"> 1. Continue to work with constituent authorities to understand assessed risk in relation to commissioned functions and service delivery. (in place and ongoing) 2. A reporting process has been established and updates on status are collated for the Partnership and submitted to Scottish Government via NHSFV's emergency planning team on behalf of the HSCP. (in place) 3. All commissioned services have updated their business continuity plans, as have constituent authorities. (ongoing) 4. Periodically review plans in light of transitional arrangements and emergent issues. (ongoing) 5. Horizon Scanning arrangements including assessment of potential economic impacts (ongoing) 6. Work with constituent authorities to understand likelihood of supply issues and cost impacts. E.g via Directors of Pharmacy Group on potential pharmaceutical supply issues. (ongoing) 	<p>Head of Service (SP & HI), Chief Finance Officer</p>	<p>Risk under review as implications emerge.</p>	
---------------------------	---	---	--	--	---	--	---	--	---

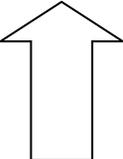
CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 014 (added 26 May 2019)</p>	<p>Ability to Deliver Primary Care Improvement Plan including tripartite agreement within additional resources provided by Scottish Government</p>	<p>1. National Outcome ‘Resources are Used Effectively and Efficiently, and ‘ People are safe’</p>	<p>Current (4) Target (3)</p>	<p>Current (4) Target (3)</p>	<p>16 High 9 Medium</p>	<ol style="list-style-type: none"> 1. Continue to work collaboratively with NHS Board and LMC reps via Programme Board (ongoing) 2. Continue to explore options to maximise impact from available investment (ongoing) 3. Ensure reporting to Scottish Government reflects risk in ability to meet policy objectives and tripartite agreement (in place) 4. Continue to discuss (as part of tripartite) and work with government colleagues to understand deliverability of Memorandum of Understanding (ongoing) 5. Continue to inform Scottish Government of risk via periodic reporting on PCIP and via various national networks (Ongoing) 6. Submit updated funding request to Scottish Government based on workforce plan requirements (complete November 21) 	<p>Chief Officer / Chief Finance Officer / Programme Manager</p>	<p>Tripartite statement presented to June 20 IJB. PCIP allocation letter received and in line with expectations but leaves significant recurrent financial gap.</p>	
---	--	---	--	--	--	---	--	--	---

CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 015 (added 21 Feb 2020)</p>	<p>GP Sustainability: Risk that general practice will not be able to sustain the delivery of general medical services to the population</p>	<p>1. National Outcome 'Resources are Used Effectively and Efficiently, and ' People are safe'</p>	<p>Current (4) Target (3)</p>	<p>Current (4) Target (3)</p>	<p>16 High 9 Medium</p>	<ol style="list-style-type: none"> 1. GP Sustainability Group in Place including Horizon Scanning and Linkage to PCIP (in place) 2. 2C practice arrangements. (in place) 3. Recruitment drives (ongoing) 4. Promotion of Clacks and Stirling as positive place to live and work. (ongoing) 5. GP Premises Improvement Plans (in place) and work on Primary Care Infrastructure Initial Agreement (in progress) 6. PCIP Tripartite Statement (in place) 	<p>Associate Medical Director Primary Care / GP Clinical Leads / Chief Officer/ NHS Chief Exec</p>	<p>Plan is delivered on pan Forth Valley basis with NHS FV Chief Exec chairing Programme Board</p>	
---	---	--	--	--	--	--	--	--	---

CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

<p>HSC 016 (added 17 March 2020)</p>	<p>COVID 19: Risk that critical services to vulnerable populations cannot be delivered as a result of coronavirus pandemic</p> <p>NOTE: Risk to be mainstreamed through next substantive review of Strategic Risk Register via reviewing Covid risks on other Strategic Risks to reflect ongoing risk managements actions as endemic disease.</p>	<p>1. National Outcome ' People are safe'</p>	<p>Current (4) Target (2)</p>	<p>Current (4) Target (3)</p>	<p>16 High</p> <p>6 Low</p>	<ol style="list-style-type: none"> 1. Review and Update Service Business Continuity Plans (in place) 2. Costed mobilisation plans for government and service prioritisation plans. (complete subject to quarterly review and LMP cost returns) 3. Service monitoring arrangements. (in place) 4. Care Home Assurance and Monitoring Arrangements. (in place) 5. Flexible working arrangements where possible including risk assessments and following guidance for non clinical workspaces. (in place) 6. Effective and efficient linkage to emergency planning arrangements within constituent authorities and government. (in place) 7. Approval of remobilisation plans (RMP 4 Nov 21) 8. Ensure contingency plans in place for potential additional waves of infections. (in place) 9. Wider supports to social care providers in place (e.g. wellbeing supports) with liaison and escalation arrangements if providers require additional support. 10. Development of plan to secure and deploy additional capacity for Winter 21/22 	<p>Partnership Leadership Team (Chief Officer, Heads of Service & Chief Finance Officer)</p>	<p>Partnership Co-ordination led by Chief Officer and links to Multiagency responses in place.</p>	
---	---	---	--	--	---	---	--	--	---

CLACKMANNANSHIRE & STIRLING HEALTH & SOCIAL CARE PARTNERSHIP: STRATEGIC RISK REGISTER AT 15 November 2021

						supported by additional investment. (in progress)			
--	--	--	--	--	--	---	--	--	--

Explanation of Scoring:

Likelihood and Impact are Scored on a 1-5 Rating. The scores are then multiplied to give an overall risk score. Risk scores over 15 are rated High/Red. Risk Scores from 9 to 15 are rated Medium / Amber and risk scores up to 8 are rated Low/ Green.

Clackmannanshire & Stirling Integration Joint Board Audit and Risk Committee

22 November 2021

Agenda Item 12

Relevant National Reports:
Covid 19 Vaccine Programme and
Tracking the impact of Covid-19 on
Scotland's public finances.

For Noting

Paper Approved for Submission by:	Ewan Murray, Chief Finance Officer
Paper presented by	Ewan Murray, Chief Finance Officer
Author	Ewan Murray, Chief Finance Officer
Exempt Report	No

Directions	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

Purpose of Report:	To bring the relevant national reports to the attention of the Audit & Risk Committee for noting.
---------------------------	---

Recommendations:	<p>The Audit and Risk Committee is asked to:</p> <p>1) Note the reports and there relevance to wider context that the IJB operates within.</p>
-------------------------	--

1. Background

- 1.1. The extant terms of reference for the Audit and Risk Committee states that any national reports relevant to the context or responsibilities of the IJB will be brought to the attention of the Audit and Risk Committee.
- 1.2. Since the last meeting of the Audit and Risk Committee two relevant national reports have been published by Audit Scotland
 - Covid 19 Vaccine Programme
 - Tracking the impact of Covid-19 on Scotland's public finances.

2. Considerations

- 2.1. Audit and Risk Committee members are asked to note the appended reports and their relevance to the context the IJB operates within.
- 2.2. Key messages from the report on the Covid 19 Vaccine Programme published in September 2021 are:
 - The Covid-19 vaccination programme has made excellent progress in vaccinating a large proportion of the adult population.
 - Engagement with the vaccination programme is lower in some groups.
 - The vaccination programme is being implemented under uncertain and challenging circumstances.
 - Scottish Government has agreed that UK Government should lead on purchase and supply of the vaccines.
 - The vaccination programme has relied on temporary staffing to date but longer term solutions are required.
 - The delivery of the vaccination programme has been a success so far with good collaboration, joint working and new digital tools developed at pace.

2.3. Key messages from the report on Tracking the impact of Covid-19 on Scotland's public finances published in September 2021 are:

- The Scottish Government has been spending unprecedented sums to mitigate the harms of the pandemic.
- Spending has been funded by additional Barnett consequential and by reallocating some existing budgets.
- Transparency is essential but challenging in a fast-moving unpredictable environment.
- Difficult decisions lie ahead

3. Conclusions

3.1. Audit and Risk members are invited to read the reports appended.

4. Appendices

Appendix 1 – Covid -19 Vaccination Programme

Appendix 2 – Tracking the impact of Covid-19 on Scotland's public finances.

Fit with Strategic Priorities:	
Care Closer to Home	<input checked="" type="checkbox"/>
Primary Care Transformation	<input checked="" type="checkbox"/>
Caring, Connected Communities	<input checked="" type="checkbox"/>
Mental Health	<input checked="" type="checkbox"/>
Supporting people living with Dementia	<input checked="" type="checkbox"/>
Alcohol and Drugs	<input checked="" type="checkbox"/>
Enabling Activities	
Technology Enabled Care	<input checked="" type="checkbox"/>
Workforce Planning and Development	<input checked="" type="checkbox"/>
Housing and Adaptations	<input checked="" type="checkbox"/>
Infrastructure	<input checked="" type="checkbox"/>
Implications	
Finance:	N/A
Other Resources:	N/A
Legal:	As a public body the IJB is subject to public audit.
Risk & mitigation:	N/A
Equality and Human Rights:	The content of this report <u>does not</u> require a EQIA

<p>Data Protection:</p>	<p>The content of this report <u>does not</u> require a DPIA</p>
<p>Fairer Duty Scotland</p>	<p>Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.</p> <p>The Interim Guidance for public bodies can be found at: http://www.gov.scot/Publications/2018/03/6918/2</p> <p>The content of this report <u>does not</u> require Fairer Duty Scotland Assessment</p>

Covid-19

Vaccination programme



 AUDIT SCOTLAND

Briefing prepared by Audit Scotland
September 2021

Contents



Key messages	3
Introduction	4
Management of the programme	6
Progress so far	10
Next steps	15
Endnotes	17
Appendix	18

Audit team

The core audit team consisted of: Leigh Johnston, Eva Thomas-Tudo and Claire Tennyson with support from other colleagues and under the direction of Angela Canning.

Links

-  PDF download
 -  Web link
-

Key messages



- 1** The Covid-19 vaccination programme has made excellent progress in vaccinating a large proportion of the adult population. More than 90 per cent of people aged 18 and over have received at least one Covid-19 vaccine. The programme has been effective in reducing the number of people getting severely ill and dying from Covid-19. Vaccines have been delivered in a variety of ways to make it easier for more people to access them, and the level of vaccine wastage has been low.
 - 2** Engagement with the vaccination programme is lower in some groups of the population. A smaller proportion of younger people, those living in the most deprived areas and people from some ethnic groups have been vaccinated. The Scottish Government is taking action to encourage people to take up the offer of a Covid-19 vaccination.
 - 3** The Covid-19 vaccination programme is being implemented under uncertain and challenging circumstances. Clinical advice from the Joint Committee on Vaccination and Immunisation (JCVI) continues to evolve and has needed to be implemented quickly. The Scottish Government and NHS boards are responding quickly to new clinical advice and are planning for future stages of the programme.
 - 4** The Scottish Government has agreed that the UK Government should lead on the purchase and supply of the vaccines on a four nations basis. The Scottish Government and NHS Scotland are responsible for delivering the Covid-19 vaccination programme in Scotland. NHS boards and Health and Social Care Partnerships (HSCPs) have predicted that the programme will cost £223.2 million in 2021/22. The expenditure needed will depend on advice issued by the JCVI, so it could differ substantially from current predicted costs. The Scottish Government has confirmed that vaccination costs will be fully funded for the 2021/22 financial year.
 - 5** The vaccination programme has relied on temporary staffing to date. The Scottish Government has recognised that a longer-term solution is needed for future phases of the rollout to be sustainable.
 - 6** The delivery of the vaccination programme has been a success so far, with good collaboration, joint working and new digital tools developed at pace. There are opportunities for the Scottish Government to use the learning from this programme to inform the implementation of further stages of the vaccine programme and the wider delivery of NHS services.
-

Introduction



1. The Covid-19 vaccination programme has been a crucial part of the UK and Scottish governments' responses to the pandemic and has helped to protect Scotland's population from Covid-19. It is the largest vaccination programme that NHS boards have ever carried out. The vaccines have helped to reduce the incidence of severe illness and death from Covid-19 and have eased pressure on stretched NHS services. The vaccines have also allowed restrictions across Scotland to be lifted more safely, supporting economic recovery.

2. The first doses of Covid-19 vaccines in Scotland were administered on 8 December 2020, following the approval of the first Covid-19 vaccine by the Medicines and Healthcare Products Regulatory Agency (MHRA).¹ By September 2021, four vaccines had been approved by the MHRA. These were Pfizer-BioNTech, Oxford-AstraZeneca, Moderna and Janssen. The JCVI has not yet provided guidance on the use of the Janssen vaccine, but the remaining three vaccines are in use ([Exhibit 1, page 5](#)).²

3. This briefing paper looks at progress of the Covid-19 vaccination programme to September 2021 and what plans are in place for the next phase of the rollout and for the longer term. We will also report on further progress of the programme in our NHS in Scotland 2021 report, which will be published in early 2022.

4. We would like to acknowledge the support and assistance provided by the Scottish Government and NHS boards that has enabled us to prepare this briefing paper.

5. This paper is in three sections:

- **[Part one \(Management of the programme\)](#)** sets out the aims and objectives of the Covid-19 vaccination programme. It covers how the vaccination programme has been managed, the staffing and infrastructure put in place and costs so far.
- **[Part two \(Progress so far\)](#)** covers the progress of the Covid-19 vaccination programme. It covers how many people have been vaccinated, variation in uptake, and what impact the vaccination programme has had.
- **[Part three \(Next steps\)](#)** sets out the next steps of the programme. It covers how the Scottish Government is preparing to deliver a booster programme from autumn 2021, and the longer-term role of the Covid-19 vaccination programme.

Exhibit 1

Timeline of major milestones in the Covid-19 vaccination programme

2020 	2 December	MHRA approval of Pfizer-BioNTech vaccine
	8 December	First Covid-19 vaccine administered in Scotland
	30 December	MHRA approval of Oxford-AstraZeneca vaccine
2021 	8 January	MHRA approval of Moderna vaccine
	14 January	Publication of the Scottish Government's first Covid-19 vaccine deployment plan
	24 March	Publication of the Scottish Government's second Covid-19 vaccine deployment plan
	7 May	Everyone in JCVI priority groups 1-9 has been offered the first dose of a vaccine
	28 May	MHRA approval of Janssen vaccine
	30 June	JCVI publishes interim advice on a potential Covid-19 booster programme for vulnerable and older people from Autumn 2021
	18 July	Everyone aged 18 and over has been offered the first dose of a vaccine
	19 July	JCVI publishes advice that children aged 12 and over who are at increased risk from Covid-19 should be offered the Pfizer BioNTech vaccine
	23 July	Publication of the Scottish Government's third Covid-19 vaccine deployment plan
	4 August	JCVI announces the Pfizer-BioNTech vaccine should be offered to all 16 and 17 year olds
	1 September	JCVI announces that a third dose should be offered to people aged 12 and over who were severely immunosuppressed at the time of their first or second dose
	12 September	Everyone aged 18 years and over has been offered the second dose of a vaccine
	13 September	The four UK Chief Medical Officers advise that all 12-15 year olds should be offered one dose of the Pfizer-BioNTech vaccine
	14 September	JCVI announces that priority groups 1-9 should be offered a booster vaccine dose
	20 September	The Covid-19 booster programme starts.

Management of the programme



The Scottish Government is responsible for the vaccination programme, and has prioritised Covid-19 vaccinations in accordance with JCVI guidance

6. The Scottish Government has agreed that the UK Government should lead on the purchase and supply of the vaccines on a four nations basis. The Scottish Government and NHS Scotland are responsible for the management and delivery of the Covid-19 vaccination programme in Scotland.

7. Scotland's allocation of the total supply of vaccines arriving in the UK is based on the Barnett formula.³ The main factor determining the speed of the first phase of the rollout was the availability of vaccines. As the programme progressed, the Scottish Government made changes to more effectively allocate the available supply of vaccines across Scotland. NHS boards now plan the deployment of vaccines on a weekly basis, based on the expected supply of vaccines. The Scottish Government reviews these plans weekly alongside national modelling of predicted demand to manage the allocation of vaccines.

8. The Scottish Government has based its decisions on which groups should be prioritised for receiving Covid-19 vaccinations on advice from the JCVI. This approach has been taken by all four UK nations.

9. The JCVI developed nine priority groups for receiving Covid-19 vaccinations based on those who are most at risk from contracting Covid-19 ([Appendix](#)). The JCVI recommended that those living in care homes, older people, clinically vulnerable people and patient-facing health and social care staff should be the first groups to receive Covid-19 vaccinations.

10. The JCVI has since published advice about how the remaining adult population should be prioritised, based on age. It has also published advice about vaccinating children and young people and on a booster programme in autumn and winter 2021/22.

The Scottish Government set out its priorities in three vaccine deployment plans

11. The Scottish Government has published three vaccine deployment plans since the start of the Covid-19 vaccination programme. These plans set out the high-level priorities of the programme, how it will be managed and summarise progress.

- First plan – published January 2021. This set out the Scottish Government's aim to vaccinate everyone in Scotland over the age of 18 and those aged 16 and 17 years who are frontline health and social care workers, young carers or have underlying health conditions. These groups amount to 4.5 million people.⁴

- Second plan – published in March 2021. This provided a summary of progress to date, highlighting that the programme was progressing faster than planned and with high uptake. It set out plans for the next phase of the programme and outlined some of the measures being taken to ensure that the vaccine programme is inclusive.⁵
- Third plan – published in July 2021. This provided a summary of progress and achievements since the start of the vaccination programme. It also outlined priorities for the next phase of the programme, including vaccinating eligible children and young people, and planning for a potential vaccine booster programme in autumn 2021.⁶

The Scottish Government and NHS boards have worked closely to deliver the Covid-19 vaccination programme

12. The Covid-19 vaccination programme is categorised into three tranches. More information on the priorities of Tranches Two and Three can be found on [pages 15 and 16](#).

- Tranche One consisted of vaccinating all adults in Scotland with two doses of a Covid-19 vaccine.
- Tranche Two consists of the autumn and winter 2021/22 flu vaccinations and Covid-19 booster programme.
- Tranche Three focuses on the longer-term, business-as-usual approach to providing vaccinations in future across Scotland.

13. The Scottish Government set up a Flu Vaccination and Covid-19 Vaccination (FVCV) programme board to provide strategic direction and oversight of the planning and delivery of Tranche One of the Covid-19 vaccination programme. The board met fortnightly, and membership included senior officials from Scottish Government, NHS boards and other partners.

14. Several other groups reported to the FVCV programme board, including groups focused on clinical governance; programme delivery; planning; and communication and engagement. An Executive Group was also established for decisions that had to be taken between board meetings. All such decisions were recorded and reported at the next FVCV board meeting.

15. NHS National Services Scotland (NSS) has played a key role in the rollout of the Covid-19 vaccination programme in Scotland. It administers the allocation process for vaccines across Scotland and manages a contract for the storage and distribution of vaccines and sundries. It also developed and manages the National Vaccination Scheduling System (NVSS) and vaccination call centre.

Vaccines have been administered in a range of locations

16. NHS boards have been delivering vaccines in a range of locations to reach as many people as possible. Vaccines have been administered in mass vaccination centres set up in conference centres and stadiums, and in local venues such as GP practices, town halls and community treatment centres. The Scottish Ambulance Service (SAS) has also set up mobile vaccination units to support the delivery of the vaccine programme. By the end of July 2021, 10,000 vaccines had been administered from SAS mobile vaccination units.⁷

17. As the economy reopened, the availability of some venues, such as stadiums and conference centres, decreased. The Scottish Government and NHS boards will need to consider how and where they deliver vaccines in the future.

The vaccine programme has relied on temporary staffing, and a longer-term, sustainable workforce is needed

18. The vaccine programme has so far been reliant on temporary staff and volunteers. By July 2021, more than 14,000 vaccinators had administered vaccines.⁸ Vaccinators consist of nurses, GPs, dentists, optometrists, pharmacists, allied health professionals, healthcare students and healthcare support workers (HCSWs). This diverse workforce has enabled the rollout of the vaccine programme to progress at pace, but it is an expensive model. Like other parts of the UK, NHS boards have also received support from the armed forces to increase vaccine workforce capacity when required.

19. As restrictions ease and NHS services recover, the availability of the temporary workforce will be reduced as staff return to their substantive posts. The Scottish Government has determined that a permanent, sustainable vaccine workforce will be needed in future. Work is currently taking place to establish the size of the workforce needed. This will depend on clinical advice about how vaccines should be delivered in future. The Scottish Government plans to recruit HCSW vaccinators as far as possible, working alongside registered nurses.

New digital tools were developed at pace to support the vaccination programme

20. To support the rollout of the Covid-19 vaccination programme, new digital tools were developed quickly. These digital developments have enhanced NHS Scotland's ability to coordinate and manage the rapid rollout of the vaccines and required close collaboration and partnership working. NHS boards, such as NHS Education for Scotland, NHS NSS, Public Health Scotland (PHS) and NHS Greater Glasgow and Clyde, worked with the Scottish Government to develop new systems to support the deployment of the vaccines, including:

- the National Vaccine Management Tool – a web-based application that enables frontline health and social care staff to view and record patient vaccination data at the point of care
- the National Clinical Data Store – holds the Covid-19 vaccination records for everyone in Scotland, which can be securely shared with healthcare staff when required
- the NVSS – used to allocate and reschedule appointments and will continue to be used for the next phase of the programme, including giving people the option to book appointments online
- a self-registration portal – initially allowed unpaid carers to self-register for the vaccine before being rolled out to everyone aged under 30 years, and subsequently to all adults.

21. NHS boards developed vaccine programme delivery plans in January and March 2021. In these plans, NHS boards identified risks related to the NVSS. There were concerns about the functionality of the tool before its launch, and challenges around the flexibility to schedule second doses.

22. Risks and issues relating to the NVSS were monitored regularly, and the NVSS was adapted to improve its functionality. Most NHS boards have used the NVSS and there are plans to continue using it in future stages of the vaccine programme. Some NHS boards have opted for local scheduling arrangements to better meet the needs of the local population.

Vaccination costs for the 2021/22 financial year will depend on advice issued by the JCVI

23. Covid-19 vaccines are procured by the UK Government, so the costs in Scotland are associated with the management, distribution, and delivery of the Covid-19 vaccination programme.

24. In 2020/21, NHS Scotland spent £58.9 million on the Covid-19 vaccination programme. Territorial NHS boards account for the majority of this (£42.7 million), and NHS NSS spent £16.1 million.

25. In August 2021, NHS boards and HSCPs predicted that the Covid-19 vaccination programme for the 2021/22 financial year will cost £223.2 million. NHS boards account for the majority of this (£209.9 million). Of this, NHS NSS has predicted that its costs will amount to £61 million.

26. NHS boards have based their predicted costs on planning assumptions provided by the Scottish Government. The expenditure needed will depend on advice issued by the JCVI, so could differ substantially from current predicted costs. The Scottish Government has confirmed that vaccination costs will be fully funded for the 2021/22 financial year.

27. As part of the initial Covid-19 funding allocations for 2021/22, the Scottish Government allocated £76.8 million for the extended flu and Covid-19 vaccination programme.⁹ Costs are being reviewed quarterly and further allocations will be made later in the year.

Progress so far



Excellent progress has been made in rolling out the Covid-19 vaccination programme

28. The Covid-19 vaccination programme is making excellent progress, with most of the adult population having received their first and second doses. By 21 September 2021, 7,979,142 doses of the Covid-19 vaccine had been administered in Scotland. Of all those aged 18 years and over, 91.7 per cent had received their first dose of a vaccine, and 85.7 per cent had received their second dose.¹⁰ This is considerably higher than the target of 80 per cent.

29. The Scottish Government aimed to offer first doses to everyone in JCVI priority groups 1-9 by early May 2021, and to all adults by the end of July 2021. This deadline was originally September 2021, but it was revised because of the good progress being made. First doses of the vaccine had been offered to all adults by 18 July 2021.¹¹

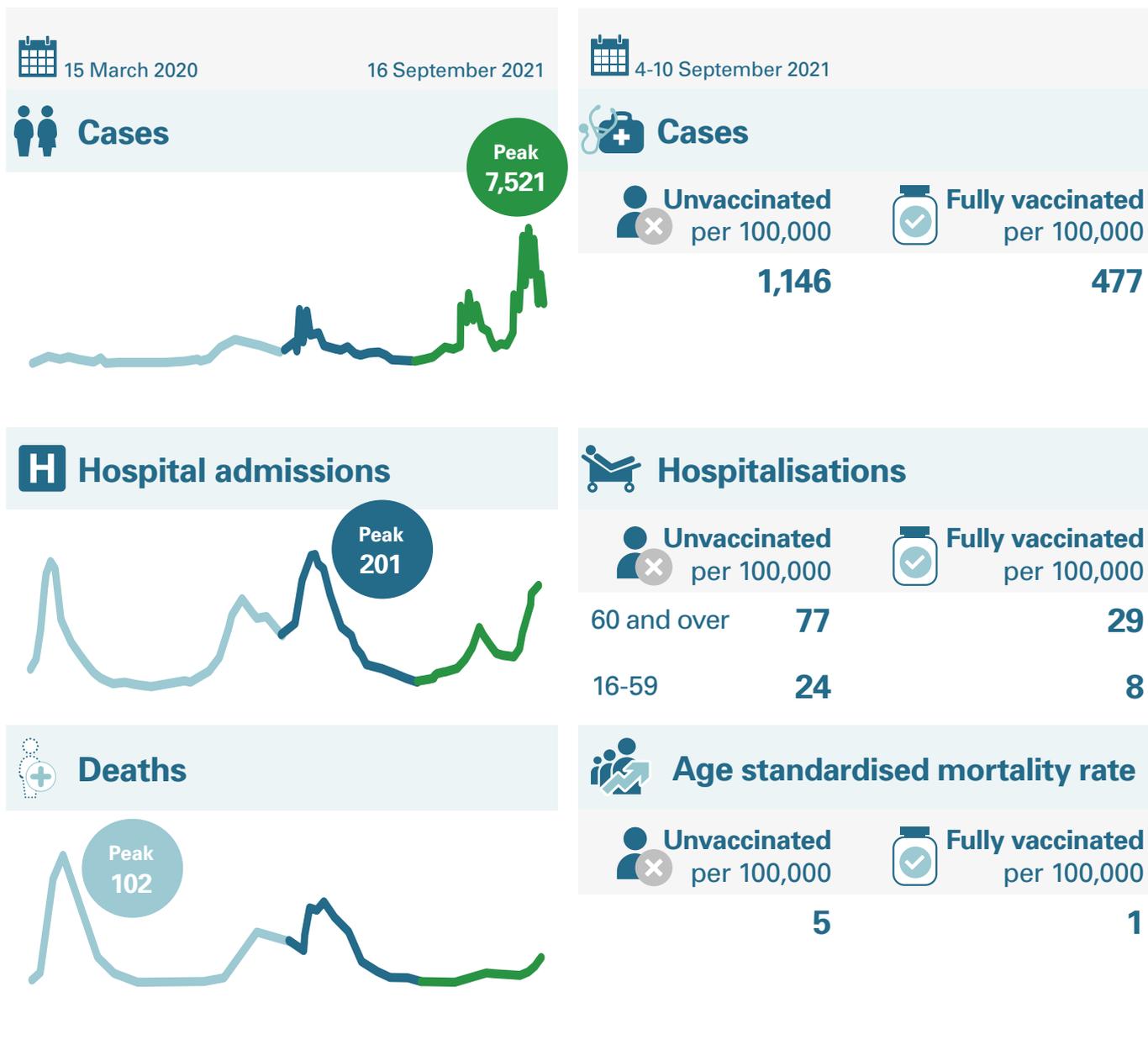
The vaccines have helped to reduce the number of people getting severely ill and dying from Covid-19

30. The vaccines have helped to reduce the incidence of severe illness and death from Covid-19. The rate of cases and hospitalisations is significantly lower among vaccinated people, than for those who are unvaccinated. The most recent increase in Covid-19 cases during summer 2021 did not result in as significant an increase in hospitalisations and deaths as the previous waves of Covid-19 ([Exhibit 2, page 11](#)). As new variants of the virus continue to emerge however, there is a risk that the current Covid-19 vaccines will become less effective.

Exhibit 2

Covid-19 cases, hospitalisations and deaths, March 2020 to September 2021

The vaccination programme has helped to reduce the number of people needing hospital treatment or dying from Covid-19.



- Before the vaccination programme
- Vaccination programme began from 8 December 2020
- 98% of priority groups 1-9 had received their first dose of the Covid-19 vaccine by 7 May 2021

Note. Cases, hospitalisations and the age standardised mortality rate per 100,000 by vaccine status between 4 and 10 September 2021. Hospital admissions and deaths trend lines are based on the seven day averages.

Source: Public Health Scotland and National Records of Scotland

The rate of people not attending their vaccination appointments has increased, but the proportion of vaccine wasted remains low

31. The rate of people not attending their vaccination appointments (DNAs) has been higher in recent months. In February 2021, DNAs accounted for eight per cent of scheduled appointments. This increased to a high of 36 per cent in July 2021, before decreasing to 23 per cent in August ([Exhibit 3](#)).

32. It is important not to look at DNA rates in isolation. The uptake of Covid-19 vaccinations is very high, and there are factors that could account for the increasing rate of DNAs. For instance, all mainland NHS boards introduced drop-in clinics from early July 2021. This meant that people could be vaccinated when it is most convenient for them, instead of at their scheduled appointment time.

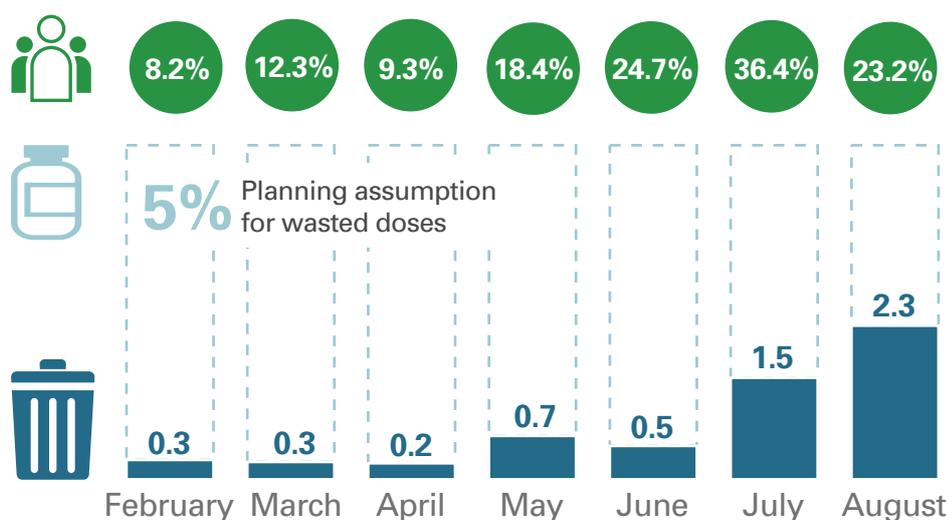
33. The proportion of Covid-19 vaccine doses being wasted has remained consistently low throughout the vaccination programme, although it has increased slightly in recent months, with 2.3 per cent of vaccines wasted in August 2021.

34. The Scottish Government published guidance in March 2021 to help NHS boards to minimise the number of vaccine doses wasted. Some wastage is unavoidable and to be expected: for instance, depending on the equipment being used, or if there is a malfunction in the cold storage of the vaccines. In its planning assumptions, the Scottish Government anticipated that around five per cent of vaccines would be wasted. Between February and August 2021, the proportion of vaccines wasted was just 0.65 per cent ([Exhibit 3](#)).

Exhibit 3

Rates of non-attendance at appointments and vaccine wastage between February and August 2021

Did not attend appointment



■ % Doses wasted

Engagement with the vaccination programme is lower in some groups of the population

35. Despite high uptake of Covid-19 vaccines overall, there is variation in uptake between different groups of the population. A smaller proportion of younger people, those living in the most deprived areas and people from some ethnic groups have been vaccinated ([Exhibit 4](#)). These trends are also evident in other parts of the UK.

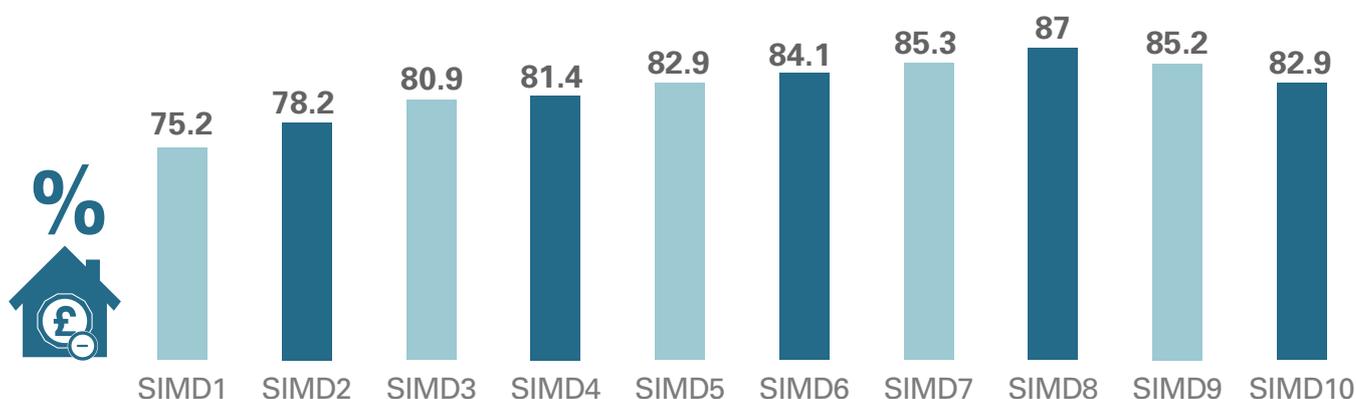
Exhibit 4

The rate of Covid-19 vaccination uptake varies

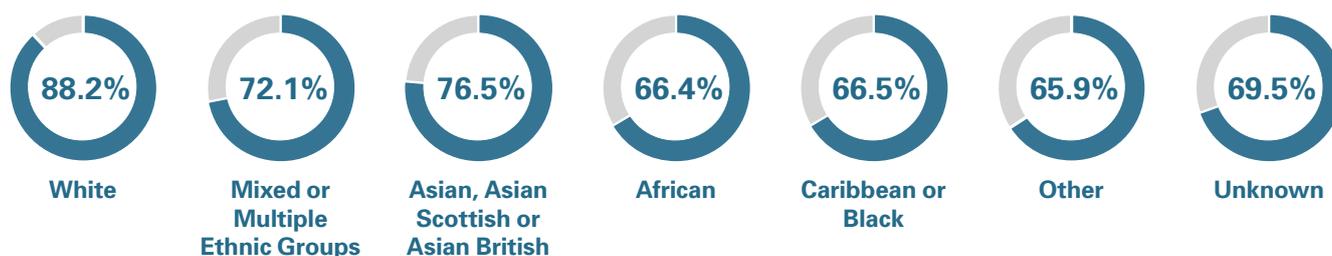
Age – At 20 September 2021, the uptake of first doses for adults aged 18 years and over was 91.7 per cent. **Uptake was lowest in younger age groups.**



Deprivation – At 24 August 2021, uptake was lowest among people living in the most deprived areas.



Ethnic group – At 24 August 2021, uptake was highest in the white ethnic group at 88.2 per cent.



Notes:

1. The Scottish Index of Multiple Deprivation (SIMD) is a relative measure of deprivation across small areas known as data zones, from the most deprived – SIMD1 to the least deprived – SIMD10. If an area is identified as deprived, this can relate to people having low incomes, but it can also relate to people with fewer resources or opportunities.
2. Denominator populations for age groups and area breakdowns are sourced from National Records of Scotland mid-2020 estimates.

Source: Public Health Scotland

The Scottish Government and NHS boards are taking action to improve uptake of Covid-19 vaccinations

36. The Scottish Government and NHS Scotland recognised that there would be challenges in vaccinating the entire adult population with a new vaccine, and that some groups would be more reluctant or less able to engage with the programme.

37. In November 2020, PHS led a health inequalities impact assessment (HIIA) for an extended flu and Covid-19 vaccination programme.¹² This identified potential barriers to the uptake of flu and Covid-19 vaccines across different population groups, such as those from minority ethnic backgrounds and people living in deprived areas. The HIIA identified recommendations for the Scottish Government and NHS boards to consider when planning the vaccination programme. It was shared with the Scottish Government, NHS NSS and local NHS boards to inform planning and help them to develop their own equality impact assessments. PHS should publish the HIIA to share the findings more widely.

38. Throughout the vaccine programme, the Scottish Government and NHS boards have worked with partners to increase uptake and reduce vaccine hesitancy through a variety of methods, such as:

- improving data collection – to better understand trends by collecting data on uptake by characteristics such as ethnicity and deprivation
- working with organisations, such as Young Scot and the Minority Ethnic Health Inclusion Service, to tailor messaging for young people and those from ethnic minority backgrounds
- improving accessibility of information – for example, NHS Inform has published vaccine information in more than 30 different languages¹³
- a national inclusive steering group has been established to encourage vaccine uptake and reduce barriers to engagement with the programme. It has engaged with groups including African and Polish communities, where uptake has been low¹⁴
- outreach work – has targeted groups that may be less likely to come forward for vaccinations, such as Gypsy/Travellers, asylum seekers, those experiencing homelessness and seasonal migrant workers.

Next steps



The Scottish Government and NHS Scotland are preparing for future stages of the vaccination programme

39. Tranche One of the vaccine programme has been effective in reducing the number of people getting severely ill and dying from Covid-19. It met its target to have offered both doses to the remaining adult population by mid-September 2021.

40. The next stages of the vaccine programme bring further challenges. The Scottish Government has committed to continuing to follow advice from the JCVI in prioritising vaccine deployment beyond September 2021. In recent months, the JCVI has published a range of guidance on the next steps that the Scottish Government and NHS Scotland have needed to operationalise quickly, including:

- 30 June 2021 – interim advice on a potential Covid-19 booster programme starting in the autumn for vulnerable and older adults; final advice was issued in September 2021
- 19 July 2021 – advice that children aged 12-15 years at increased risk from Covid-19, and those aged 12-17 years living with someone who is immunosuppressed, should be offered the Pfizer-BioNTech vaccine
- 4 August 2021 – advice that all 16 and 17 year-olds should be offered a first dose of the Pfizer-BioNTech vaccine
- 1 September 2021 – advice that a third dose should be offered to people aged 12 and over who were severely immunosuppressed at the time of their first or second doses
- 14 September 2021 – advice that people in priority groups 1-9 should be offered a booster vaccine dose, no earlier than six months after having received their second dose of the vaccine.

41. The Scottish Government has responded quickly to JCVI advice, with vaccines for eligible groups being offered within days of the advice being published. In many instances, the Scottish Government and NHS boards have had to plan for future stages of the vaccine programme with formal clinical advice from the JCVI yet to be confirmed.

42. Final advice from the JCVI on the booster programme was issued in September following the results of clinical trials. This made planning particularly challenging, as it is the same month that the JCVI suggested in its interim guidance that a booster programme should begin.

43. In advance of final JCVI advice, the Scottish Government started planning to provide booster vaccines from September 2021. It established a programme board for Tranche Two: the flu vaccine and Covid-19 booster programme. This board is intended to increase focus and the pace of planning and delivery of Covid-19 booster and flu vaccinations that is taking place over autumn and winter 2021/22. It has been meeting fortnightly since the end of June 2021.

44. The Scottish Government developed a central planning scenario, informed by the JCVI's interim advice and by discussions at the Tranche Two programme board. The Scottish Government has asked NHS boards to develop delivery plans for the flu vaccine and Covid-19 booster programme based on this planning scenario. There was a risk that changes would need to be made at short notice, once the JCVI issued its final advice. Some elements of the central planning scenario that were subject to that final advice included:

- eligibility for booster vaccines and how boosters would be prioritised
- whether flu vaccinations and Covid-19 booster jabs could be administered at the same time – this has a particular impact on the staff and infrastructure needed to deliver the vaccines
- the dosage and type of vaccines that would be used for Covid-19 boosters, including whether the vaccine should be the same as that given for the first two doses, a different vaccine, or if either case could apply.

45. The Scottish Government has also started planning for the longer-term, business-as-usual approach to providing vaccinations in future across Scotland: Tranche Three of the Covid-19 vaccination programme. It plans to establish a new National Vaccinations Partnership portfolio board to provide oversight and direction across all three tranches of the vaccination programme, but its primary focus will be on Tranche Three. This board will link with existing groups, such as the Scottish Immunisation Programme and the Vaccine Transformation Programme, to ensure that the strategies and directions of the groups are aligned.

Endnotes



- 1 The Medicines and Healthcare Products Regulatory Agency is an executive agency sponsored by the UK Department of Health and Social Care. It regulates medicines, medical devices, and blood components for transfusion in the UK.
- 2 The Joint Committee on Vaccination and Immunisation advises UK health departments on immunisation programmes.
- 3 The Barnett formula is used to allocate resources to Scotland, Wales and Northern Ireland when the UK Government spends money in areas that are devolved to the relevant administrations, such as health or local government. The funds received by devolved administrations are known as Barnett consequentials.
- 4 [Coronavirus \(COVID-19\): vaccine deployment plan](#),  Scottish Government, January 2021.
- 5 [Coronavirus \(COVID-19\): vaccine deployment plan](#),  Scottish Government, March 2021.
- 6 [Coronavirus \(COVID-19\): vaccine deployment plan](#),  Scottish Government, July 2021.
- 7 [10k vaccines delivered from SAS mobile vaccine clinics](#),  Scottish Ambulance Service, July 2021.
- 8 Coronavirus (COVID-19): vaccine deployment plan, Scottish Government, July 2021.
- 9 [NHS Covid-19 funding increased](#),  Scottish Government, July 2021.
- 10 [Daily trend of total vaccinations in Scotland](#),  Public Health Scotland, September 2021.
- 11 Coronavirus (COVID-19): vaccine deployment plan, Scottish Government, July 2021.
- 12 Extended flu and COVID-19 vaccination health inequalities impact assessment (HIIA) Engagement and consultation report, Public Health Scotland, November 2020.
- 13 NHS Inform is Scotland's national health information service. It provides information to the public on health services, national health campaigns and other topics to help them make informed decisions about their health.
- 14 Vaccination Strategy: inclusive programme board papers, June 2021.

Appendix

JCVI Priority Groups 1–9



1. Residents in care homes for older adults and their carers
2. All those 80 years of age and over and frontline health and social care workers
3. All those 75 years of age and over
4. All those 70 years of age and over and clinically extremely vulnerable individuals
5. All those 65 years of age and over
6. All individuals aged 16 years to 64 years with underlying health conditions which put them at higher risk of serious disease and mortality, and unpaid carers
7. All those 60 years of age and over
8. All those 55 years of age and over
9. All those 50 years of age and over

Covid-19

Vaccination Programme

This report is available in PDF and RTF formats,
along with a podcast summary at:

www.audit-scotland.gov.uk 

If you require this publication in an alternative
format and/or language, please contact us to

discuss your needs: 0131 625 1500

or info@audit-scotland.gov.uk 

For the latest news, reports
and updates, follow us on:



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

T: 0131 625 1500E: info@audit-scotland.gov.uk 

www.audit-scotland.gov.uk 

ISBN 978 1 913287 61 0

Covid-19

Tracking the impact of Covid-19 on Scotland's public finances

A further update



Prepared by Audit Scotland
September 2021

Contents

The impact of Covid-19 on Scotland's public finances	3
1. Covid-19 spending and funding in 2020/21	5
2. Covid-19 spending and funding in 2021/22 to date	11
3. The challenges facing the Scottish Government's financial response	15

The impact of Covid-19 on Scotland's public finances

1. The pandemic has had significant consequences for the people of Scotland, impacting on the way they live, the environment they live in and the services they receive.

2. The Scottish Government [is reporting](#) data against the 'four harms' of Covid-19, each of which will have an impact on Scottish public finances for years to come:

- Direct health impacts: Covid-19 causes direct and tragic harm to people's health.
- Indirect health impacts: Covid-19 is also having a wider impact on health and social services and how people are using those services. These changes will have an impact on people's health in both the short term and long term.
- Societal impacts: the restrictions put in place have slowed the spread of the virus but have caused broader societal harms that can be harder to understand and measure.
- Economic impacts: the provision of direct services and goods, taxes to fund public services like health and welfare, and opportunities for employment and income have all been impacted by Covid-19, and these impacts may continue for some time.

Key messages

- 1 The Scottish Government has been spending unprecedented sums to mitigate the harms of the pandemic.
 - The Scottish Government allocated around £9.3 billion to support Covid-19 spending in 2020/21.
 - The Scottish Government currently estimates its actual spend on Covid-19 in 2020/21 was at least £8.8 billion.
 - The Scottish Government anticipates it will spend at least £4.9 billion more on Covid-19 in 2021/22, and to date has budgeted to spend £3.3 billion.
 - Spending has been widespread across the economy and public services, with over 300 individual spending measures announced to date. The

largest amounts have been spent on direct financial support for business, health and social care and local government.

- 2** Spending has been funded by additional Barnett consequentials and by reallocating some existing budgets.
 - The Scottish Government spent £8.6 billion of Barnett consequentials on its Covid-19 response in 2020/21, carrying £1.15 billion over to 2021/22.
 - The UK Government guaranteed the level of Barnett consequential funding for 2020/21, but has not done so for 2021/22.
 - £1.14 billion was reallocated from existing budgets in 2020/21.
- 3** Transparency is essential but challenging in a fast-moving and unpredictable environment.
 - During 2020/21, Scottish Government directorates exercised judgement over the classification of Covid-19 spending within portfolios in real time.
 - Centrally, the Scottish Government is now collating and analysing portfolios to identify the overall levels of Covid-19 spending.
 - As Scotland moves into the recovery phase, it will likely become increasingly hard to define what is, and what isn't, Covid-19 spending.
- 4** Difficult budget decisions lie ahead.
 - The financial response needed to address the four harms of the pandemic will develop over time.
 - The recovery from the pandemic must be managed alongside other financial pressures which predate the pandemic.
 - Planning for the medium term is difficult, but necessary, to manage the levels of uncertainty and volatility facing the Scottish budget.

Note: The figures used in this paper are unaudited, and we will comment further on actual spending in our Scottish Government Consolidated Accounts audit and future performance audit work on Covid-19 spending.

1. Covid-19 spending and funding in 2020/21

3. In our February 2021 paper, [Covid-19: Tracking the implications of Covid-19 on Scotland's public finances](#), we reported on the spending and funding position up to the end of December 2020. The 2020/21 financial year is now complete, and more information is known about the first year of the Scottish Government's Covid-19 response, and the nature of spending interventions. This chapter sets out what the Scottish Government budgeted to spend in 2020/21, what information is currently available on actual spend during the year, and how this spending was funded.

Spending in 2020/21

The Scottish Government allocated a gross figure of £9.5 billion for Covid-19 spending in 2020/21

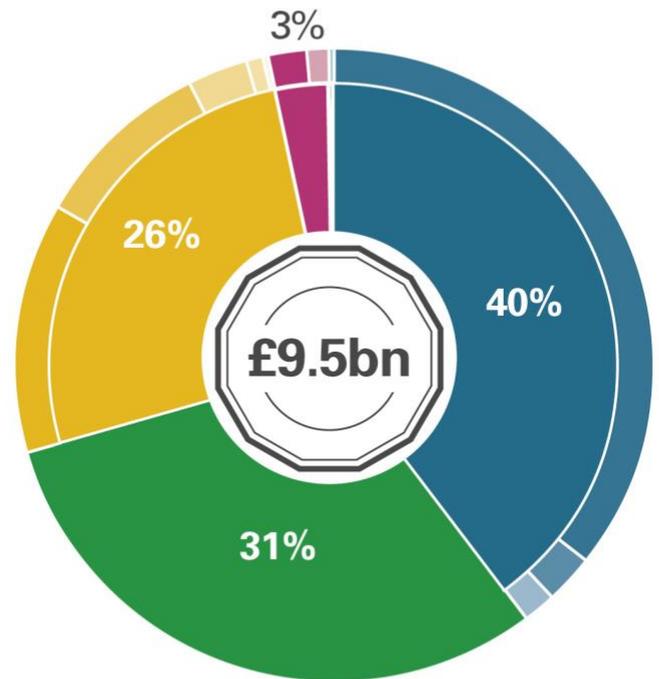
4. Our analysis shows a total of £9.5 billion was allocated for Covid-19 measures in 2020/21. Where the amounts initially allocated were underspent, the remaining balances were redeployed to support other spending through in-year budget revisions. This £9.5 billion figure includes both the original and the redeployed planned spending. Spending that was redeployed includes £183 million of underspends against the first tranche of business support ([paragraph 13](#)). The net allocation of Covid spending in-year was £9.3 billion.

5. This spending supported a wide variety of public bodies, individuals, businesses and third sector organisations during 2020/21. ([Exhibit 1](#))

- The largest area of Covid-19 spending was on business support, which received nearly £3.8 billion. The largest funding measures were for Business Support Grants (£1.2 billion) and non-domestic rates relief (£972 million).
- The second largest area of spending was Health and Social Care, which received over £2.9 billion for Covid-19.
- Local Government was the third largest area of spend, receiving £1.2 billion. Spending within Local Government included £524 million in additional Covid-19 funding to support councils and compensate for lost income, and £155 million to cover funding pressures within Local Government. In addition, local authorities were also responsible for managing and distributing some business grants and other funds.

Exhibit 1 Covid-19 budgeted spending in 2020/21

Budget breakdown		£9,510.2m
	Support for business	40% £3,789.9m
	Business	£3,391.8m
	Tourism & Culture	£230.1m
	Economic recovery	£168m
	Health and social care	31% £2,939.3m
	Health and social care	£2,939.3m
	Other public services	26% £2,487.5m
	Local Government	£1,198.2m
	Transport	£874.3m
	Education	£303.1m
	Universities	£80.9m
	Justice	£31m
	Support for individuals	3% £282.7m
	Charity	£166.6m
	Individual	£116.1m
	Other government	0% £10.8m
	Other government	£10.8m



Source: Scottish Government Budget revisions; Audit Scotland analysis

The distribution of Covid-19 spending changed during the pandemic

6. The Scottish Government makes announcements of spending in real time, and in 2020/21 these were collated at three points in the year through the Budget Revision process.

7. In the early stages of the pandemic up to the Summer Budget Revision in July 2020, the largest area of support was for business support grants. At this stage, funding was primarily concentrated in portfolio areas such as Communities and Local Government, which included much of the business support spend.

8. During the summer and the autumn there was a drop in cases after the first lockdown and the partial re-opening of the economy. In the Autumn Budget Revision (published in September) the largest areas of support were for the health response to the pandemic, and additional support to bus and rail franchises.

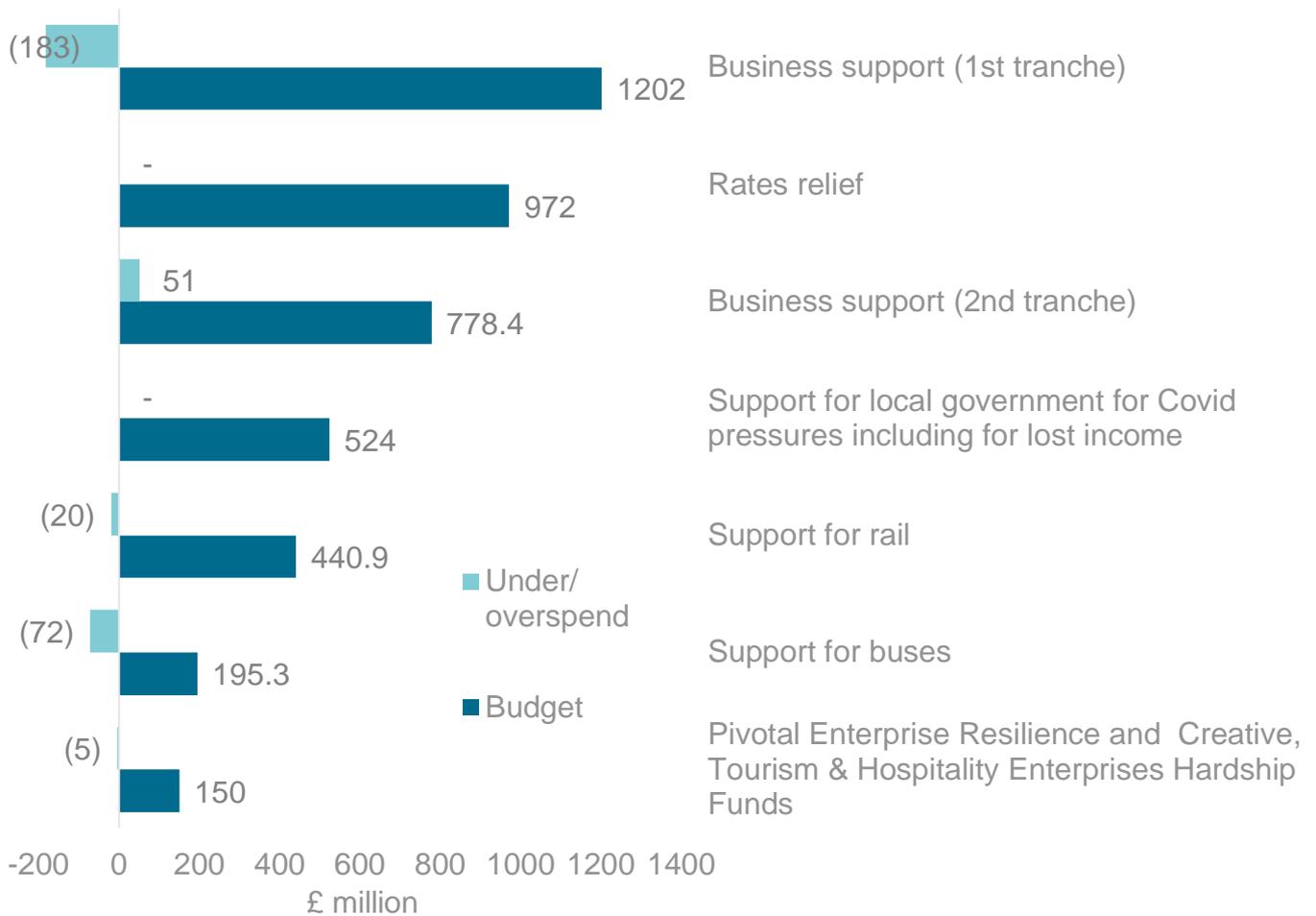
9. Over the winter, case numbers surged again and Scotland went back into lockdown. By the time of the Spring Budget Revision in February, the most significant commitments included an additional £778 million for business support, £524 million in support for local government for Covid-19 pressures including lost income, as well as an additional £439 million in Covid-19 funding for health.

The Scottish Government currently estimates its actual spend on Covid-19 in 2020/21 was £8.8 billion

10. The Scottish Government has provided provisional figures indicating that the actual spend on Covid-19 in 2020/21 so far identified is £8.8 billion. These figures are currently unaudited.

11. The largest proportion of the actual spend was in the Communities and Local Government portfolio, with approximately £3.3 billion recorded. This includes support both to local government and the business support provided through local government in 2020/21. This is followed by the Health and Sport portfolio, with an actual spend of £2.76 billion, and the Economy, Fair Work and Culture portfolio, with an actual spend of £1.2 billion.

12. We have compared the spending lines in the available spending data with the figures included in the budget revisions and selected some of the larger examples for analysis. Our analysis shows that many of these larger funds were fully disbursed or had small underspends ([Exhibit 2](#)).

Exhibit 2**Comparing budget to actual spend for selected large Covid schemes**

Source: Scottish Government, Audit Scotland

13. There are exceptions where there are larger underspends against budget. For example, support for buses reported a £72 million underspend (37 per cent). The Scottish Government has informed us that this was because the initial estimate of the cost of bus operator support was difficult. Some private operators recovered more quickly than anticipated, whilst others could not operate at agreed levels because of self-isolation. The £183 million underspend against the business support figures was redeployed into the Pivotal Enterprise Resilience Fund, the Creative, Tourism and Hospitality Enterprises Hardship Fund and other business support schemes during the year.

14. The Scottish Government is collating and analysing what has been attributed by directorates as Covid-19 spending. The Scottish Government has commented that the tracking of spend is more straightforward across health and social care and the larger support schemes; outside of these, judgements have been made about how Covid-19 disruption to spending on services has been recorded. As such, the Scottish Government considers this to be a minimum total for Covid spending at this stage.

Covid-19 funding in 2020/21

Most of the Scottish Government's spending in response to Covid-19 in 2020/21 was funded by Barnett consequentials from the UK Government

15. Given the volatility and uncertainty that the pandemic brought, from July 2020 the UK Government began to provide guarantees of total Barnett funding in advance of specific UK spending commitments being made. In total, the Scottish Government received an additional £9.7 billion in-year funding for 2020/21, of which £8.6 billion was guaranteed.

16. The Scottish Government applied £8.6 billion of Barnett consequentials to the 2020/21 Scottish budget. The Scottish and UK Governments agreed to apply the remaining £1.15 billion to its 2021/22 budget, due to the last tranche of additional funding being announced relatively late in the financial year (see section 2 below).

The Scottish Government has allocated Barnett consequentials broadly in line with the UK, with some aspects tailored towards Scottish Government priorities

17. The Scottish Government decides how it spends Barnett consequentials. There are no specific requirements for any block grant funding to be spent on initiatives similar to the UK spending decisions from which it derives. Nonetheless, the Scottish Government has committed to spend all Covid-19 consequentials on its pandemic response.

18. We carried out a high-level analysis of UK and Scottish Government spending on Covid-19 to understand where Covid-19 policy aligned and diverged during 2020/21. We compared UK Government spending (and the Barnett consequentials this generated) with our tracking of the Scottish Government's Covid-19 spending commitments.

19. Overall, our findings showed that spending on Covid-19 during 2020/21 was broadly similar between the UK and Scottish Governments. Some examples of similar individual measures of support include:

- **Business support** – for both Governments, the largest individual funding measure was on Covid-19 business support grants.
- **Transport** – the main area of spend within transport for both the UK and Scottish Governments comprised of support to rail operators. Other key areas of financial support within transport were to bus operators and support for active travel (for example, cycling).

20. In some areas, the Scottish Government chose to diverge policy from the UK Government, including:

- **Mental health** – the UK Government's Department of Health and Social Care allocated £25 million to mental health services in England, compared to allocations of over £27 million made by the Scottish Government.

- **Charities / Third sector** - the UK Government spent £453 million on specific support to the charity sector in 2020/21. In Scotland, the charity sector received £135 million in specific support during the same period, which constitutes a higher proportion than the rest of the UK, given the difference in population size between each country.

The Scottish Government also met the costs of Covid-19 spending by reallocating £1.14 billion from other areas of the budget

21. Alongside Barnett consequentials, the Scottish Government has also met the costs of Covid-19 spending by reallocating other elements of its budget. Over the course of 2020/21, the Scottish Government reallocated a total of £1.14 billion from other areas of its budget, though not all of this was to support the Covid-19 response. The majority of this funding (£745.4 million) was reallocated towards the end of the financial year, as part of the Spring Budget Revision.

22. Spending reallocations within and across portfolios have also become more prevalent in-year as a consequence of the pandemic. Most of the funds reallocated to Covid-19 spending in 2020/21 came from underspends in directorates emerging as a consequence of reductions in demand and the cancellation, postponement, or delay of individual programmes because of the pandemic.

23. Some of this reallocated funding was assigned to specific and related Covid-19 measures. For example, in the transport sector, passenger subsidies for bus, rail and ferry operators were repurposed to cover operators' revenue losses due to reduced services and passenger numbers in lockdown.

24. In general, there is no direct link between a given underspend and the new programmes the money was transferred to. The Scottish Government centrally collates under- and overspending reported through directorates before applying these to budget revisions. In these cases, reallocated funds are made available centrally to the overall response to Covid-19, rather than allocated to specific programmes or projects within portfolios.

2. Covid-19 spending and funding in 2021/22 to date

Covid-19 spending in 2021/22 to date

The 2021/22 Scottish budget included £3.3 billion of Covid-19 spending

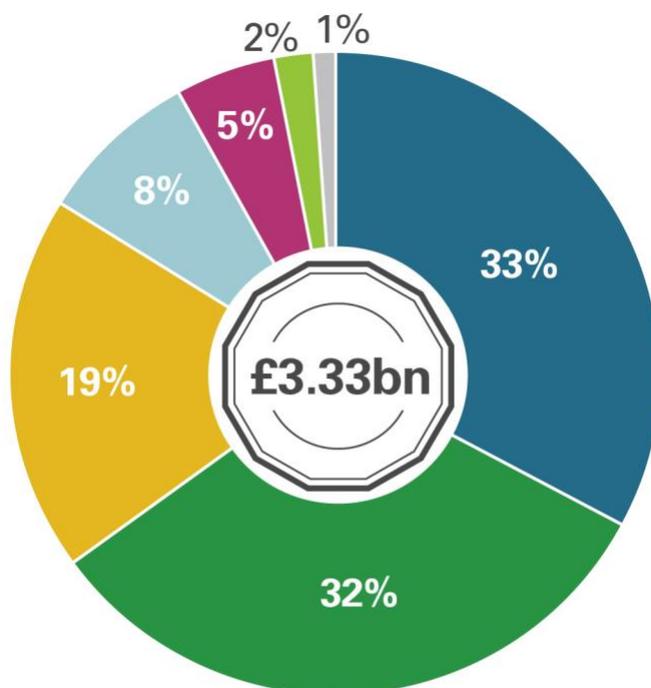
25. The Scottish budget was passed in March 2021, and the final budget included £3.3 billion of Covid spend. This figure increased during the budget stages as more funding information was made available from the UK Government (please see below).

Covid-19 spending in the 2021/22 budget focuses on the health and social care and local government portfolios

26. Nearly two-thirds of the £3.3 billion assigned to Covid-19 during 2021/22 is planned to be spent on the Health and Social Care and Social Justice, Housing and Local Government portfolios. £640 million will be spent in the Finance and Economy portfolio, much of which has been allocated to employability and business support schemes. The majority of the remaining amount that has been allocated to other portfolios is intended to address ongoing disruption from the pandemic, such as support for transport operators. ([Exhibit 3](#))

Exhibit 3**Total Covid-19 spending in 2021/22 budget (£ million)**

Total Covid-19 funding	£3,330m
33% Health & social care	£1,080.0m
32% Social justice, housing & local government	£1,064.6m
19% Finance & economy	£640.1m
8% Net zero, energy & transport	£277.2m
5% Education & skills	£177.8m
2% Justice	£75m
1% Rural affairs & Islands	£22m



Source: Scottish Government, Audit Scotland analysis

The Scottish Government's Covid-19 spending response continues to develop

27. In our previous tracker papers, we reported that over 90 publicly available Covid-19 spending announcements had been made between March and the end of July 2020, and that the number of announcements was over 170 by the end of December 2020. We estimate that by the end of the 2020/21 financial year over 230 announcements had been made.

28. The pace of announcements has slowed for the 2021/22 financial year. We estimate that over 70 announcements that apply to the 2021/22 financial year were made up to the end of July 2021. This includes some of the spending that was included in the 2021/22 Scottish budget, and some further announcements that have been made since the budget was passed. Since March 2020, there have been over 300 separately announced spending measures for Covid-19.

29. The largest number of announcements made for 2021/22 relate to business spending (17 announcements) followed by support to individuals (16 announcements) up to the end of July 2021. The highest value of announcements was for health and social care, at over £2 billion.

30. We will continue to track spending announcements related to Covid-19 throughout the year. The Scottish Government will also give an updated position on Covid spending in 2021/22 as part of the Autumn Budget Revision later in September.

Covid-19 funding in 2021/22 to date

£4.7 billion of Covid-19 Barnett consequentialia have so far been made available for 2021/22

31. For 2021/22, £4.7 billion of Covid-19 Barnett consequentialia have been allocated: £3.7 billion in the budget as amended, and a further £1 billion from main estimate yet to be allocated. Of the £3.7 billion included in the budget, £3.3 billion was resource spending for Covid-19 (see Exhibit 3). A further £70 million of resource and £278 million of capital and financial transaction Covid-19 consequentialia were used to support the overall budget.

32. The [Scottish Government has been informed of a further](#) £175 million to be allocated. However, these consequentialia will not be confirmed until the UK Government's supplementary estimates are published early in 2022.

Tracking funding applied to the 2021/22 budget is complicated by the timings of Barnett consequentialia arising from UK Government fiscal events

33. As mentioned above, the Scottish and UK Governments agreed to apply £1.15 billion of 2020/21 funding to the Scottish Government's 2021/22 budget, due to the last tranche of additional funding being announced relatively late in the financial year. The Scottish Government agreed with HM Treasury that it was not required to carry this funding forward through the Scotland Reserve, instead holding it within UK reserves and reallocating it to the Scottish Government in 2021/22. This type of carry forward has been done before but not on such a large scale. The agreement between the Scottish and UK Governments is outwith the fiscal framework.

34. As a result of this and the announcement of the UK budget in early March, there were substantial changes to funding available and budgeted spending during the stages of the Scottish budget itself ([Exhibit 4](#)). Further funding changes will be reflected through in-year budget revisions.

Exhibit 4**Changes in Barnett consequentials reflected in the 2021/22 Scottish budget, £ billion**

Barnett consequentials applied to 2021/22 budget	Additional	Cumulative
UK Spending review 2020	1.3	
Assumed additional BCs in advance of UK budget	0.5	
Barnett consequentials applied to Stage 1 budget (January 2021)	1.8	1.8
2020/21 Barnett consequentials carried over to 2021/22	1.2	
UK budget	1.2	
LESS UK budget assumed at Stage 1	-0.5	
Barnett consequentials applied to Stage 3 (final) budget (March 2021)	1.9	3.7
UK main estimates 2021	1.0	
Barnett consequentials expected in the Autumn Budget Revision (September 2021)	1.0	4.7
UK supplementary estimates (based on UK funding announcements)	0.2	
Potential additional Barnett consequentials for 2021/22 known to date	0.2	4.9

Source: Audit Scotland. Some figures may not sum due to rounding

Large changes in the budget are likely to continue throughout 2021/22

35. Increasingly, the Scottish budget is subject to a high degree of change during the financial year. This volatility has been exacerbated during the pandemic with big changes required to spending plans.

36. We expect large in-year changes to continue in 2021/22, and the first indications of this will be set out in the Autumn Budget Revision later in September 2021.

37. The UK position is a source of uncertainty for the Scottish budget. Unlike the Barnett consequentials allocated in the 2020/21 budget year, the consequentials announced for 2021/22 are not guaranteed by the UK Government. As such, the total amount may rise or fall throughout the year, depending on in-year UK Government spending changes.

3. The challenges facing the Scottish Government's financial response

38. Looking ahead, there are some emerging challenges that the Scottish Government will face as it manages the public finances through the next stages of the pandemic. The response to the pandemic is continuing and it is likely that many of the challenges highlighted in this briefing will extend into the medium and long term.

Transparency is essential when decision making is happening in a fast-moving environment

39. In 2020/21, the pandemic developed rapidly and there were significant pressures on public services that had to be met by additional spending. The Scottish Government had to make decisions quickly and monitor the budget in a fast-moving and unpredictable environment.

40. The Scottish Government's budget includes episodic reviews through the budget revision process. This is an important way in which the budget is rebalanced (matching spending commitments and anticipated funding), and formally approved by Parliament at specific points during the year. The speed at which spending plans have changed in response to the pandemic means that the Scottish Government has had to develop its approach to managing the overall position.

41. The existing processes for monitoring the budget were not designed to separate out specific spending in areas across portfolios, such as costs attached to the Covid-19 response. There are a number of areas where Covid-19 spending is complex:

- **Actual Covid-19 spending in 2020/21:** in 2020/21, overall budget monitoring was focussed on the aggregate position of under- and overspends against the total budget funding available, rather than spending against specific Covid-19 measures. Covid-19 funding was allocated to business areas to spend on managing and curtailing the impact of the pandemic, and Scottish Government business areas applied judgement over what constituted Covid-19 spending.
- **Reallocations:** budget revisions are managed across Government, which means it is not always possible to establish the detail of reprioritisations within directorates. For 2020/21, the amount of reprioritisations is likely to be higher than that set out in the budget

revisions, because business areas manage the individual under- and over-spending against budget lines of a portfolio budget collectively. This means that the Scottish Government finance team does not have the detail of all reprioritisations of spending that were managed at portfolio level.

- **Spending announcements:** Our tracking of the Scottish Government's Covid-19 public spending announcements shows a total of £8.4 billion for 2020/21. These spending allocations are different to the spending as set out in the budget revisions, because the announcements are made in real time based on an initial assessment of requirements, while budget revisions happen at set points in the year when there is often updated information available.

42. The Scottish Government is currently in the process of collating actual spending data for 2020/21, as well as asking business areas to identify what is Covid-19 spending in their expenditure information for 2021/22.

43. As more spending and funding announcements are made, and as the Scottish Government moves into the post-vaccine recovery phase, tracking the budget will become more complex. As spending links more widely with economic development issues and other government goals, it will likely become increasingly hard to define what is, and what isn't, Covid-19 spending. This means that transparency over spending and budget management processes will remain vital.

Financial management will become more challenging, and difficult decisions lie ahead

44. The Scottish Government's financial response will need to adapt as the pandemic develops, in order to mitigate the four harms it has identified.

45. It is not possible to say at this stage how these harms may develop. We do not know what the direct health impact of the new Delta variant will be, or if any other variants will emerge. The economic impacts of the pandemic may begin to ease as a result of the economy re-opening over the summer, but the Job Retention Scheme (furlough) and Self-Employment Income Support Scheme are both scheduled to close in September. The employment impacts of this are currently unknown. In the longer term, we may increasingly see the financial consequences of the indirect health impacts and societal impacts of the pandemic, for example NHS treatment and courts backlogs.

46. These demands on public finances must be managed alongside existing financial sustainability pressures in areas such as the NHS.

47. With increasing pressures on public revenues and spending, and the Scottish budget subject to ever more volatility, uncertainty and complexity, it will be challenging to match spending to the available funding in the coming years. This will need to be done in a way that minimises the disruption to individuals, public bodies and services, ensures value for money is maintained and avoids unintended consequences.

Planning for the medium term in periods of significant uncertainty and volatility is difficult, but necessary

48. The Auditor General has previously identified the need for improvements to medium-term financial planning to aid Parliament's understanding of the financial risks and opportunities arising from the pandemic. He has also recently highlighted the importance of including better links between spending options and outcomes in any future medium-term financial strategies.

49. The Scottish Government published its latest medium-term financial strategy alongside the 2021/22 Scottish budget. This sets out its assessment of Scotland's economic and fiscal outlook, as well as a broad spending outlook considering the effects of changing funding levels for government spending. It will be important that the Scottish Government continues to update this to ensure that the wider context for the 2022/23 budget and beyond is understood.

Scottish Government responses also need to work alongside UK Government and local government measures

50. The medium-term outlook for the size of the Scottish budget will depend heavily on how the UK Government reacts to fiscal risks, uncertainty and the pressures of recovering from the pandemic during this financial year. The approach set out by the UK Government at its 2021 Spending Review, planned for Autumn 2021, will determine the levels of Scottish funding until 2024/25.

51. Having a clear picture of how initiatives at each level of government are working together to respond to and recover from the pandemic is needed to properly understand the effectiveness of Covid-19 measures and to support budgeting and financial planning. Effective communication and cooperation between governments will be central to this.

Audit Scotland has realigned its planned work programme in response to the pandemic

52. We paused our planned work programme at the start of the pandemic and revised our planned work and approach to public audit to take into account the new issues raised by Covid-19. We will continue to revisit our work programme and refine this as we understand more about how the post-pandemic world will develop, and as the longer-term impact of the pandemic becomes clearer.

Responding to the impact of the pandemic on people in Scotland

53. The unknown course of the pandemic, increasing pressures on public revenue and spending, the uncertain and complex fiscal environment and potentially competing policy priorities, present significant challenges for the Scottish Government. How well these are planned for and managed will directly impact on the delivery of public services and Scotland's people.

54. We will continue to monitor Covid-19 spending and how it relates to the 'four harms' identified by the Scottish Government to provide assurance around sound financial management, value for money and how spending is contributing to improving societal and economic outcomes for people. We will undertake this

through the range of our work, including financial audits of individual bodies and our programme of performance audits.

55. Audit Scotland's strategy for Following the pandemic pound is to take a 'whole-system' approach to auditing the allocation and distribution of Scottish Government funding. Our aim is to provide both the Scottish Government and the public with overall conclusions regarding the level of Covid-19 funding allocated to businesses, communities and public services. We will achieve this in several ways:

- Firstly, we will provide commentary and judgements on the actions taken by individual organisations in distributing Covid-19 funding at all levels.
- Secondly, given the dynamic and ever-evolving nature of the pandemic, we will also make use of shorter blogs and briefings alongside our audit reports in order to provide timely and more frequent insights into how public money is being deployed to address Covid-19.
- Thirdly, we will integrate Covid-19 reporting into our existing programme of audit work. In doing so, we will focus on issues relating to economic recovery and growth, policy priorities, inequalities, innovation and transformation, and governance and accountability. In addition, we will also undertake specific targeted work in response to parliamentary interest.

Covid-19

Tracking the impact of Covid-19 on Scotland's public finances: A further update

This report is available in PDF and RTF formats,
along with a podcast summary at:
www.audit-scotland.gov.uk 

If you require this publication in an alternative
format and/or language, please contact us to
discuss your needs: 0131 625 1500
or info@audit-scotland.gov.uk 

For the latest news, reports
and updates, follow us on:



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

ISBN 978 1 913287 60 3