

**A Special meeting of the Integration Joint Board  
Finance, Audit & Performance Committee**  
will be held on 14 January 2026 2- 5 pm in the Boardroom, Carseview House,  
Stirling and hybrid via MS Teams

Please notify apologies for absence to:  
[fv.clackmannanshirestirling.hscp@nhs.scot](mailto:fv.clackmannanshirestirling.hscp@nhs.scot)

### **AGENDA**

1. Apologies for Absence
2. Declarations of Interest
3. Matters arising/urgent business brought forward by Chair

### **FOR CONSIDERATION AND APPROVAL**

- |    |   |                 |
|----|---|-----------------|
| 4. | Draft 2024/25 Year End Financial Accounts and Annual Audit Report | Amy McDonald    |
| 5. | Internal Audit Update   | Gordon O'Connor |
| 6. | Strategic Risk Register   | Ross Cheape     |
| 7. | Any Other Competent Business                                      |                 |

### **DATE OF NEXT MEETING**

18 February 2026

# Clackmannanshire & Stirling Integration Joint Board Finance Audit and Performance Committee

14 January 2026

Agenda Item 4

## Draft 2024/25 Year End Financial Accounts and Annual Audit Report

*For Approval*

<b>Paper Approved for Submission by:</b>	Jennifer Borthwick, Interim Chief Officer
<b>Paper presented by:</b>	Amy McDonald, Interim Chief Finance Officer
<b>Author – Audit Report:</b>	Stuart Kenny, Audit Director, Deloitte LLP
<b>Exempt Report</b>	No

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

<b>Purpose of Report:</b>	To present the draft audited 2024/25 Annual Report and Financial Statements (Annual Accounts) and the Annual Audit Report for recommendation to present to the Integration Joint Board for approval.
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<b>Recommendations:</b>	<p>The Finance Audit and Performance (FAP) Committee is asked to:</p> <ol style="list-style-type: none"> <li>1) Consider and discuss the Annual Audit Report and draft audited 2024/25 Annual Accounts.</li> <li>2) Approve or otherwise the Annual Accounts for presentation to the Integration Joint Board (IJB) on 28 January 2026.</li> <li>3) Note that the Annual Audit Report will be presented to the IJB along with the Annual Accounts. The Annual Audit Report includes the audit recommendations and management responses contained within the action plan.</li> <li>4) Agree that progress on the audit action plan will be monitored by the IJB and FAP.</li> </ol>
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<b>Appendices:</b>	<p>A: Annual Audit Report 2024/25</p> <p>B: Draft Audited Annual Accounts 2024/25</p>
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<b>Key Risks and Issues:</b>	The Annual Audit Report and Draft Audited Annual Accounts both contain narrative in relation to key issues and risks.
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## 1. Background

- 1.1. The Local Authority Accounts (Scotland) Regulations 2014 places a statutory obligation on the Integration Joint Board to approve the audited accounts normally by 30 September each year and published these no later than 31 October.
- 1.2. The Annual Accounts are presented to the Finance, Audit and Performance Committee (FAP) in January as there was a delay to the audit. This was caused by supporting financial information being provided late to the auditors.

- 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).
- 1.4. The purpose of this report is to allow the FAP to consider the 2024/25 draft Audited Annual Accounts together with the Auditor's Annual Audit Report prior to recommending the accounts to the IJB for signature.

## 2. Recommendations

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- 2.1. The Clackmannanshire & Stirling Integration Joint Board Annual Accounts 2024/25 are attached for consideration, discussion and, subject to these considerations, approval.
- 2.2. The accounts detail the financial performance of the partnership alongside an overview of wider performance drawn from the draft Annual Performance Report (APR) which will be presented to Integration Joint Board on 28 January 2026.
- 2.3. The audited accounts are presented in draft, the audit work is substantially complete as noted in the Auditors Annual Report. It is anticipated the audit report in the accounts will have an unmodified opinion. The following audit work will be completed prior to presentation of the accounts to the IJB:
  - 2.3.1. Quality review and resolution of technical review questions.
  - 2.3.2. Review of updated Annual Report and Financial statements.
  - 2.3.3. Review of events after the reporting period.
  - 2.3.4. Receipt of signed letter of Management Representation.
- 2.4. The Accounts and Annual Audit Report (AAR) will also be presented to the 28 January 2026 IJB meeting, and the issues and recommendations contained therein should be considered alongside the accounts.
- 2.5. A progress report on the audit action plan and the management responses to the recommendations within the AAR will be brought to the future meetings of the Audit and Risk Committee.

## 3. Summary of Key Information

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- 3.1. The accounts follow the following format:

**Management Commentary** - Explains the performance over the last financial year and highlights some of the potential risks during the next financial year.

**Remuneration Note** – contains details of the pay and pension benefits accrued by the senior officers of the IJB during 2024/25.

**Annual Governance Statement** – Highlights the Governance Framework in place. This contains the assurances from Stirling Council, Clackmannanshire Council and NHS Forth Valley. It also contains wording from the Chief Internal Auditor on the internal control environment.

**Financial Statements** – contains details of the financial transactions, including the Income & Expenditure Account, Balance Sheet and Movement in Reserves Statement.

**Notes to the Accounts** – including the financial policies used by the IJB over this period and the relevant disclosures required through the code.

#### 4. Appendices

Appendix A: – Annual Audit Report 2024/25

Appendix B: - IJB Annual Accounts (Draft Audited) 2024/25

<b>Fit with Strategic Priorities:</b>	
Prevention and Early Intervention	<input type="checkbox"/>
Independent Living through Choice and Control	<input type="checkbox"/>
Achieve Care Closer to Home	<input type="checkbox"/>
Supporting People and Empowering Communities	<input type="checkbox"/>
Reducing Loneliness and Isolation	<input type="checkbox"/>
<b>Enabling Activities</b>	
Medium Term Financial Plan	<input type="checkbox"/>
Workforce Plan	<input type="checkbox"/>
Commissioning Consortium	<input type="checkbox"/>
Transforming Care	<input type="checkbox"/>
Data and Performance	<input checked="" type="checkbox"/>
Communication and Engagement	<input type="checkbox"/>
<b>Implications</b>	
<b>Finance:</b>	There are no financial implications other than those contained within the report.
<b>Other Resources:</b>	There are no implications for other resources.
<b>Legal:</b>	There are no direct legal implications other than the statutory process being followed.
<b>Risk &amp; mitigation:</b>	No other risk and mitigation actions other than those contained within the report.
<b>Equality and Human Rights:</b>	The content of this report <b><u>does not</u></b> require a EQIA
<b>Data Protection:</b>	The content of this report <b><u>does not</u></b> require a DPIA

<p><b>Fairer Duty Scotland</b></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:  <a href="https://www.gov.scot/publications/fairer-scotland-duty-guidance-for-public-bodies/pages/introduction.aspx">Fairer Scotland Duty: guidance for public bodies - gov.scot (www.gov.scot)</a></p> <p><b>Please select the appropriate statement below:</b></p> <p>This paper <b><u>does not</u></b> require a Fairer Duty assessment.</p>
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# Clackmannanshire and Stirling Integration Joint Board

**Report to the Finance, Audit and Performance Committee on the 2024/25 audit**  
**For the meeting on the 14 January 2026**

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# Engagement Lead Introduction

## The key messages

### Introduction

I have pleasure in presenting our report to the Finance, Audit and Performance Committee (“the Committee”) of Clackmannanshire and Stirling Integration Joint Board (“IJB”) for the 2024/25 audit. The report summarises our findings and conclusions in relation to the audit of the Annual Report and Financial Statements and the wider scope requirements, the scope of which was set out within our planning report presented to the Committee on 19 February 2025.

### Conclusions from our testing

Based on our audit work completed to date, we expect to issue an unmodified audit report.

The auditable parts of the Remuneration and Staff report have been tested and no issues have been identified.

Based on the audit procedures performed to date we have no uncorrected misstatements or disclosure deficiencies.

### Outstanding matters

Our financial statement audit is substantially complete subject to completion of the following principal matters:

- Internal quality review procedures and resolution of technical review comments;
- Receipt and review of the updated Annual Report and Financial Statements;
- Review of events since 31 March 2025; and
- Receipt of signed management representation letter.

### Conclusions from our testing (continued)

#### *Significant risk*

In our planning report we identified management override of controls as a significant audit risk, please refer to page [6](#) for further details regarding our testing.

### Wider Scope

Our wider scope conclusions can be viewed on pages [13](#) to [26](#).

Our key wider scope findings are:

- The £11.912m overspend of the 2024/25 budget, challenges in achieving the savings plan and the unbalanced budget for 2025/26 poses a risk to the financial sustainability of the IJB. See page [17](#) for further details.
- The IJB operated without a designated Section 95 officer from 18 October to 21 December 2025 which is not in line with the requirements of the Local Government (Scotland) Act 1973. See page [22](#) for further details.

### Internal Audit

The audit team has reviewed the findings of the Internal Audit team, which has been used to inform our risk assessment. It should however be noted that we have not placed any reliance on the work of Internal Audit during the year.

### Audit team

I have taken over responsibility from Ian Howse as the Engagement Leader for the audit.






**Stuart Kenny**  
Engagement Leader

# Quality indicators

## Impact on the execution of our audit

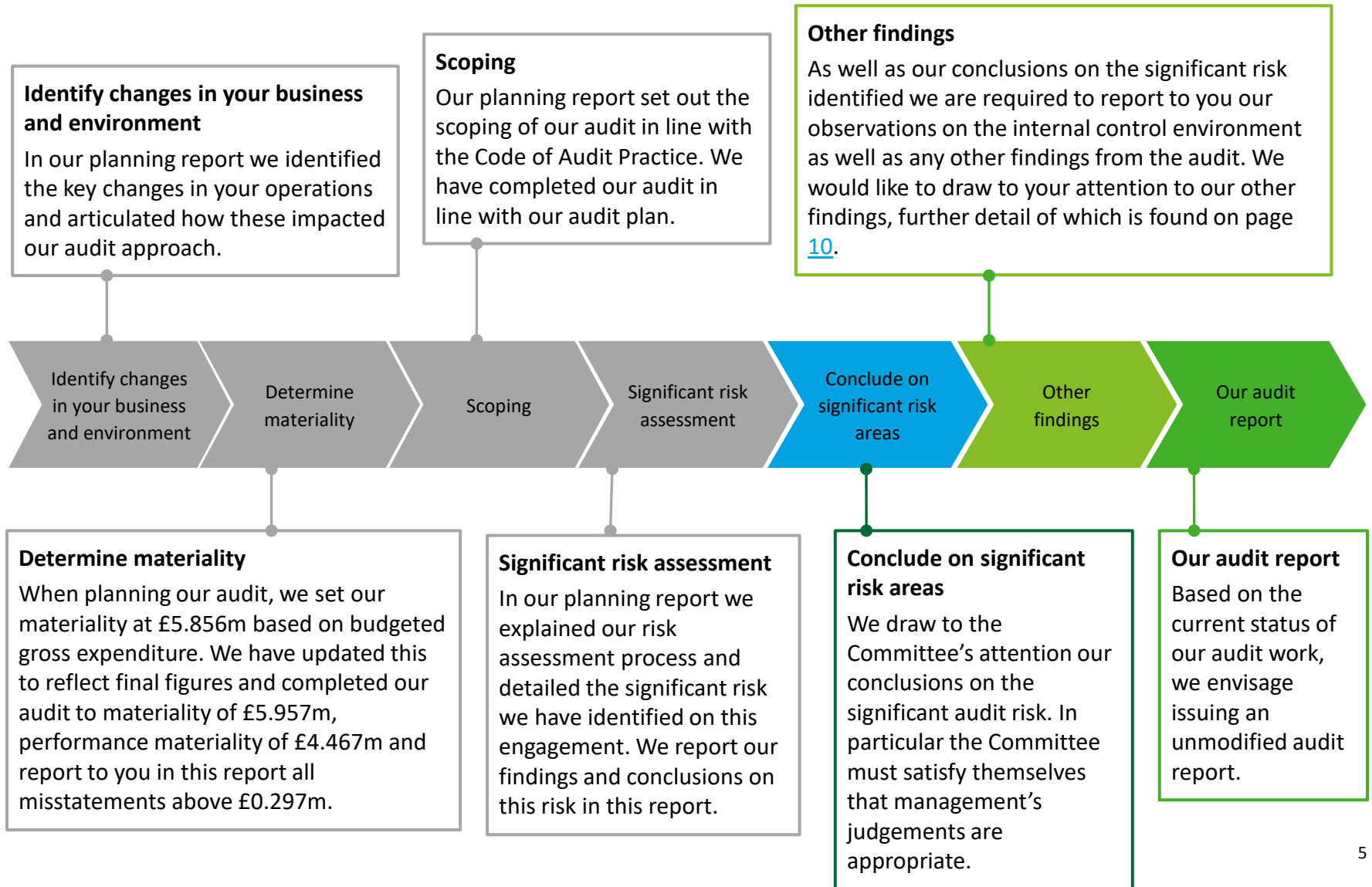
Management and those charged with governance are in a position to influence the effectiveness of our audit, through timely formulation of judgements, provision of accurate information, and responsiveness to issues identified in the course of the audit.

This slide summarises some key metrics related to your control environment which can significantly impact the execution of the audit. We consider these metrics important in assessing the reliability of your financial reporting and provide context for other messages in this report.

Area	Grading	Reason
Adherence to deliverables timetable		There was an average of 16 days delay in obtaining relevant supporting evidence from the constituent authorities, when compared to the audit deadlines agreed at the beginning of the audit, which contributed to the delays in the audit.
Access to finance team and other key personnel		We had good access to the finance team of the IJB during the initial stages of our audit work until the departure of the IJB's section 95 officer and management accountant and as the underlying data is held by the constituent authorities, there was a need to also access their respective finance teams. There were some delays in getting access to the relevant staff within the constituent authorities.
Quality of draft Annual Accounts		We have obtained and reviewed the initial draft version of the accounts. We have provided comments to management for consideration and amendment. We are in the process of reviewing the updated accounts and will provide an update to the Committee on 14 January 2026.
Response to control deficiencies identified		The control deficiencies identified during our audit are explained on Page <a href="#">10</a> .
Volume and magnitude of identified errors		We have identified errors in the current year which have been adjusted. Please see page <a href="#">34</a> for details.

# Our audit explained

We tailor our audit to your business and your strategy



# Significant risk

## Management override of controls

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**Risk identified** In accordance with ISA (UK) 240 management override is a significant risk. This risk area includes the potential for management to use their judgement to influence the Annual Report and Accounts as well as the potential to override the IJB's controls for specific transactions.

Due to the nature of the IJB accounts, with all expenditure transactions being processed through the respective partner bodies ledger, there are no key judgements or accounting estimates specifically identified in the IJB's Annual Accounts.

Under Auditing Standards there is also a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. We have concluded that this is not a significant risk for the IJB as there is little incentive to manipulate revenue recognition with all revenue being from the three contributing partner bodies which can be agreed to confirmations supplied.

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**Our response** We have performed the following audit procedures in relation to this risk:

- We have considered the overall control environment and 'tone at the top';
- We have reviewed the design and implementation of controls relating to journals and accounting estimates;
- We have made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- We have tested the appropriateness of journals and adjustments made in the preparation of the Annual Report and Accounts using our Spotlight data analytics tools to select journals for testing, based on identification of items of potential audit interest;
- We have reviewed accounting estimates for biases that could result in material misstatements due to fraud and perform testing on key accounting estimates as discussed; and
- We have obtained an understanding of the business rationale of significant transactions that we have become aware of that are outside of the normal course of business for the entity, or that otherwise appear to be unusual, given our understanding of the entity and its environment.

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# Significant risks (continued)

## Management override of controls (continued)

### Key estimates and judgements

The key estimates and judgements in the Annual Accounts includes areas which management inherently has the potential to use their judgement to influence the Annual Accounts. As part of our work on this risk, we reviewed and challenged management's key estimate below:




Estimate / judgement	Details of management's position	Deloitte Challenge and conclusions
Set Aside Budget for Large Hospitals	<p>For the financial year 2024/25, 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.</p> <p>Systems are being developed to accurately provide this information in future financial years.</p> <p>In terms of risk of misstatement, a 10% shift in activity would equate to an estimated £4.179m in costs which would, in turn, be borne by NHS Forth Valley.</p>	<p>We have reviewed the evidence and concluded that the rationale provided is reasonable and that the accounting treatment of the set aside budget is appropriate. However, we have noted the lack of a formalised agreement between the IJB and NHS Forth Valley. We have raised a control recommendation in respect of this. See page <a href="#">8</a>.</p>



### Conclusion

We have not identified any instances of management override of controls from our testing to date.

# Your control environment and findings

## Control deficiencies and areas for management focus

-  Low priority
-  Medium Priority
-  High Priority

Observation	Severity	Deloitte recommendation	Management response and remediation plan
<p>Although we were provided with appropriate supporting documentation to complete our audit testing, there were challenges in obtaining trial balances, listings, and evidence from the relevant constituent authorities in a timely manner.</p> <p>While the IJB finance staff are responsible for preparing the IJB Annual Accounts, they are reliant on information being provided by the constituent authorities. This caused a delay in completing the audit.</p>		<p>The IJB and constituent authority finance teams should agree a clear timeline and list of deliverables for preparing the Annual Accounts.</p> <p>This would allow a more streamlined audit and ensure reporting timelines are met.</p>	<p>The IJB CFO will co-ordinate with NHS Forth Valley, Stirling Council and Clackmannanshire Council to ensure there is clarity around the year end timetable and deliverables. This will support the provision of audit information to Deloitte in a timely manner during the year end audit process.</p>
<p>Lack of formalised agreement between the IJB and NHS Forth Valley regarding the overspend on the set aside budget</p>		<p>Without a formalised agreement, the IJB might have to bear the financial risk associated with overspend of the set aside budget. Management should ensure the arrangement with NHS Forth Valley to meet the financial pressure associated with the set aside budget is captured and included within the revised integration scheme which is currently under review.</p>	<p>The IJB CFO will work with NHS Forth Valley to ensure mitigation of the financial risk associated with the Set Aside budget, that this is articulated in the revised integration agreement.</p>

# Our audit report

## Other matters relating to the form and content of our report

Here we discuss how the results of the audit impact on other significant sections of our audit report.



### **Our opinion on the Annual Accounts**

Our audit is substantially complete and based on our work to date, we expect, subject to the successful conclusion of the matters raised on page [3](#), that our opinion on the financial statements will be unmodified.



### **Going concern**

We will highlight that the going concern assessment is on the basis of the 'continuing provision of service' approach, and will report that we concur with management's use of the going concern basis of accounting.



### **Emphasis of matter and other matter paragraphs**

Our audit is substantially complete and based on our work to date, we do not expect to include any emphasis of matter paragraphs and an other matter paragraph in our opinion.



### **Other reporting responsibilities**

Our opinion on matters prescribed by the Controller of the Audit are discussed further on page [13](#).

# Your Annual Accounts

We are required to provide an opinion on the auditable parts of the Remuneration report, the Annual Governance Statement and whether the Management Commentary is consistent with the disclosures in the accounts.

	Requirement	Deloitte response
Management Commentary	The report outlines the IJB's performance, both financial and non-financial. It also sets out the key risks and uncertainties faced by the IJB.	<p>We have assessed whether the Management Commentary has been prepared in accordance with the statutory guidance.</p> <p>We have also read the Management Commentary to ensure it is materially correct and consistent with our knowledge acquired during the course of performing the audit and is not otherwise misleading.</p> <p>We provided management with comments and suggested changes. We have received a revised report and are working through the responses. We will provide the Committee with an update on 14 January 2026.</p>
The Remuneration Report	The remuneration report is required to be prepared in accordance with the 2014 Regulations, disclosing the remuneration and pension benefits of Senior Employees of the IJB.	We have audited the disclosures of remuneration and pension benefits and we can confirm that they have been properly prepared in accordance with the regulations.
The Annual Governance Statement	The Annual Governance Statement reports that the IJB's governance arrangements provide assurance, are adequate and are operating effectively.	<p>We have assessed whether the information given in the Annual Governance Statement is consistent with the Annual Accounts and has been prepared in accordance with the Delivering Good Governance in Local Government Framework.</p> <p>We provided management with comments and suggested changes. We have received a revised report and are working through the responses. We will provide the Committee with an update on 14 January 2026.</p>



# Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

## What we report

Our report is designed to help the Committee and the IJB discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA (UK) 260 to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Accounts.
- Our internal control observations
- Other insights we have identified from our audit.

## The scope of our work

Our observations are developed in the context of our audit of the Annual Accounts.

We described the scope of our work in our audit plan.

## Use of this report

This report has been prepared for the IJB, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

## What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the IJB.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.

A stylized, handwritten-style signature of 'Deloitte LLP' in dark blue ink.

**Deloitte LLP**

Newcastle upon Tyne | January 2025

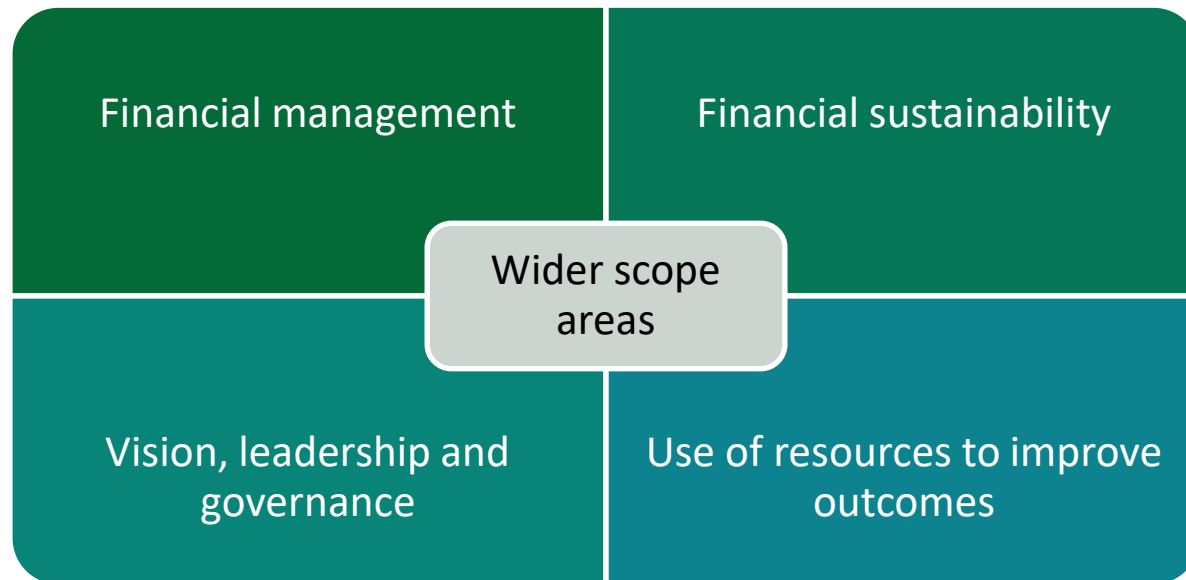
## Wider scope audit



# Wider scope requirements

## Overview

As set out in our audit plan, reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector. The wider scope audit specified by the Code of Audit Practice broadens the audit of the accounts to include consideration of additional aspects or risks in the following areas.



Our audit work has considered how the IJB is addressing these and our conclusions are set out within this report, with the report structured in accordance with the four dimensions. Our responsibilities in relation to Best Value ('BV') have all been incorporated into this audit work.

# Wider scope requirements (continued)

## Financial management

Is there sufficient financial capacity?



Is there sound budgetary processes in place?



Is the control environment and internal controls operating effectively?



**Financial Management**

### Significant risks identified in Audit Plan

In our planning paper, we identified a risk that the IJB delivered an overspend for the 2024/25 financial year.

### Current year financial performance

The 2024/25 budget of £257.384m, including set aside, was approved by the IJB in March 2024. The final outturn position is a net overspend of £11.912m (£6.990m on the integrated budget and £4.922m on the set aside budget).

The overspend on the integrated budget was covered by additional payment contributions of £6.990m (as part of the risk sharing arrangements to meet the overspend on the integrated budget) from the constituent authorities. In the current year, this led to disputes which were resolved between the constituent authorities on how much should be borne by each authority. As set out on page [7](#), overspend on set aside budget is met by NHS Forth Valley.

The general reserve is now nil after the utilisation of £3.947m in the current year which was approved as part of the 2024/25 budget. The current position of the general reserve does not comply with the IJB's extant Reserves Policy.

Total reserves as at 31 March 2025 equate to £9.835m which are all earmarked reserves.

As a result of the level of risk associated with the revenue budget, the financial resilience risk scoring within the IJB's risk register continues to be on the highest possible level.

### Savings Plans

The IJB 2024/25 budget included planned savings of £14.041m, which was made up of required savings of £10.095m in year and £3.947m utilisation of reserves.

The year end final outturn position reported to the Board highlighted that, out of the £10.095m savings identified, only £5.643m (55.9%) of savings had been achieved.

# Wider scope requirements (continued)

## Financial management (continued)

### Finance Team capacity

The IJB finance team is reliant on support from the three partner bodies to provide information to support the financial management of the IJB, and to discharge their duties. The finance team has remained consistent throughout the year however, there have been changes post year end to management personnel in key finance officer posts. Most notably, the Section 95 Officer and the Management Accountant both left the IJB in October 2025. The Section 95 Officer had been in the position for 10 years.

The Section 95 Officer is a role mandated by the Local Government (Scotland) Act 1973 and the IJB operated without a named Section 95 Officer from 18 October 2025 to 21 December 2025. It is our understanding that during this time the responsibilities of the Section 95 Officer were shared between the Chief Finance Officers of the three partner bodies. However there was no named officer with responsibility for the financial affairs of the IJB in place. An interim Section 95 officer assumed office on the 22 December 2025.

### Budget Reporting

The Partnership Senior Management Team (SMT), the Finance, Audit Performance Committee (FAPC) and the Board regularly review progress against the budget throughout the year with quarterly reporting produced.

In our 2023/24 audit, we recommended further analysis relating to risks of non-achievement and illustration of current/future implications within the financial reports were lacking and this should be progressed to further develop and improve the integrated financial reporting. In the current year, further detail around each material variance provided within the financial reports to the Board. This clearly sets out the various services and provides an explanation of variances when compared to budget.

These financial reports are readily available on the IJB's website as part of the minutes of the FAPC and Board. The reports clearly sets out performance against budget and also includes forecast spend.

Due to the IJB being the only IJB in Scotland to have three partner bodies, there are unique challenges relating to the collation of financial reporting information. Consolidation of three different ledger systems proves inefficient at times, as evident in the timeliness of audit deliverables as noted within this paper on page [8](#).

# Wider scope requirements (continued)

## Financial management (continued)

### Standards of conduct for prevention and detection of fraud and error

We have assessed the IJB's arrangements for the prevention and detection of fraud and irregularities. This has included specific considerations in response to the Audit Scotland's quarterly bulletin which contains a "Fraud and Irregularities" section. All finance and staff members are made aware of the standards relating to fraud and error. The IJB places reliance on the internal control systems of the constituent authorities and through our audits of these bodies, we have concluded that they have appropriate arrangements for the prevention and detection of fraud.

### Internal controls and internal audit

The IJB is largely reliant on the internal control arrangements within the respective partner bodies. In accordance with the agreement with the three partners, from 2022/23, the internal auditors have been appointed on behalf of Clackmannanshire Council.

The 2024/25 Internal Audit Plan was approved by the Audit and Risk Committee (now FAPC) in June 2024 and comprised six assignments for the year, covering 60 audit days. Detailed reports are provided to the Committee for each project.

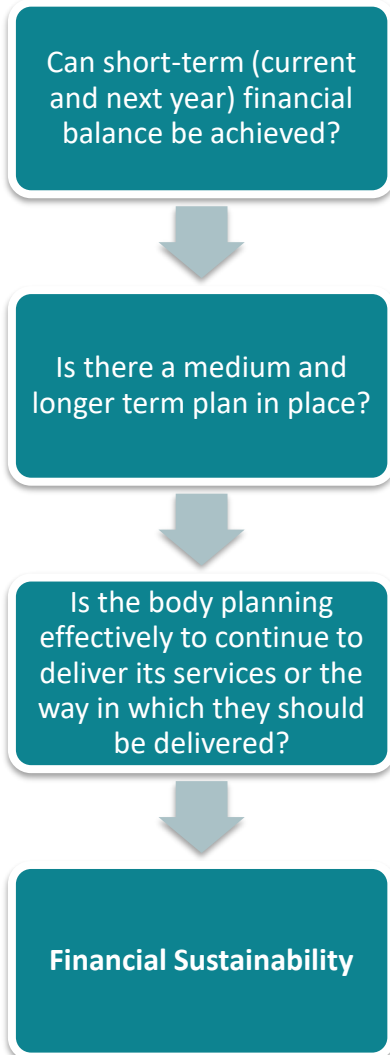
### Deloitte view – financial management

The IJB has budget setting and monitoring processes in place, however, the continued overspends year-on-year, and under achievement of savings against targets leads to the reliance on risk share from the constituent authorities and the utilisation of reserves.

The Section 95 Officer left the IJB in October 2025 and while this has not directly impacted the financial management of the IJB in the 2024/25 financial year, this has presented challenges with the year-end audit timetable. The IJB operated without a named Section 95 officer from 18 October 2025 to 21 December 2025. Per the Local Government (Scotland) Act 1973 it is a requirement to have a named officer with responsibility for the administration of financial affairs in place. It is our understanding that during this time the responsibilities of the Section 95 Officer were shared between the Chief Finance Officers of the three partner bodies. However, there was no named officer with overall responsibility for the financial affairs of the IJB in place.

# Wider scope requirements (continued)

## Financial sustainability



### Significant risks identified in Audit Plan

In our audit plan we highlighted that there was a risk that robust medium-to-long term planning arrangements are not in place to ensure that the IJB can manage its finances sustainably and deliver services effectively.

### 2025/26 budget setting

In May 2025, the IJB approved an unbalanced budget with a proposed deficit of £18.984m on the Integrated Budget and £5.711m on the Set Aside Budget for Large Hospital Services bringing a total financial gap in relation to the Strategic Plan budget of £24.695m or 8.86% of total budgeted expenditure of £278.293 million (set side budget of £36.333m and Integrated budget of £241.36m) for 2025/26.

A savings delivery programme for £11.162m has been agreed to offset part of this gap on the integrated budget. As at September 2025, the IJB is forecasting to achieve £8.6m of savings with the key features of the programme including a £2.3m (forecast achieving £1.66m) saving in Reducing Net Admissions into Long Term Care, £1.5m (forecast achieving £1.01m) in Primary Care Medicines Optimisation Programme (including 25/26 PII, Polypharmacy, Meds/therapeutics of ltd clinical value and non medical prescribing) and £1.5m (forecasted to be fully achievable) in Improving Financial Assessment and Recovery.

### Reserves

At the time of approval of the 2025/26 budget, the IJB had carried out its annual review of its reserves strategy in line with good practice. The reserves policy and strategy is largely unchanged from previous years, with the key element being:

- A reserves target of 2.5% of budgeted expenditure;
- A minimum general or contingency reserve level of 1% of budgeted expenditure.
- Maximum reserves level of 4%

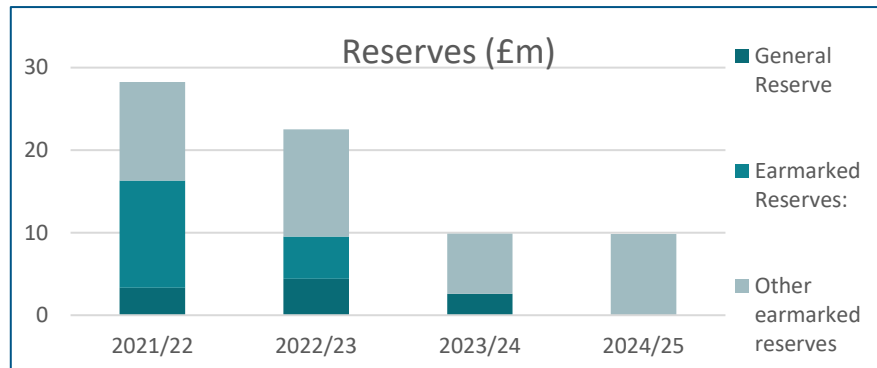
At the end of 24/25, the IJB currently holds a nil general reserve balance with £9.8m within the earmarked reserve. This is not in line with the IJB's reserve policy.



# Wider scope requirements (continued)

## Financial sustainability (continued)

### Reserves (continued)



As highlighted previously, financial balance was only achieved after the utilisation of £3.947m of reserves in addition to additional payments from the constituent authorities.

It is worth noting that this is a common theme of IJBs throughout the country; as per Audit Scotland's report on IJBs Finance and performance, by the end of 2023/24, nine IJBs now do not hold any contingency reserves reducing their financial flexibility and increasing the risk to their financial sustainability.

As part of the financial reporting to the Board, this includes a detailed breakdown of the various movement within the reserves.

It is important that clear plans are developed and monitored as part of the regular financial monitoring reporting to the Board to demonstrate how the reserve position can be strengthened.

### Medium-to-long term financial planning

In the 2023/24 audit, we recommended that the IJB provided a more comprehensive medium term financial outlook post publication of the Scottish Government's next Medium Term Financial Strategy (MTFS).

As part of the 2025/26 budget approved in May 2025, the IJB has set out the medium-term financial outlook over the next 3 years which was set before the Scottish Government's MTFS was published in June 2025. This 3-year plan sees the IJB in a deficit position by the end of 2027/28 with the only forecasted surplus position in 2026/27. The total estimated savings required for the 3-year period is £22.236m while the cumulative deficit position is £26.387m.

Overall, the cumulative deficit position after achievement of all savings for the three year period is £4.151m. This demonstrates the IJB's need to continuously monitor and develop recurrent cost reducing options alongside the delivery plan savings.

We recommend the IJB's MTFS is reviewed and aligned with the Scottish Government's MTFS.



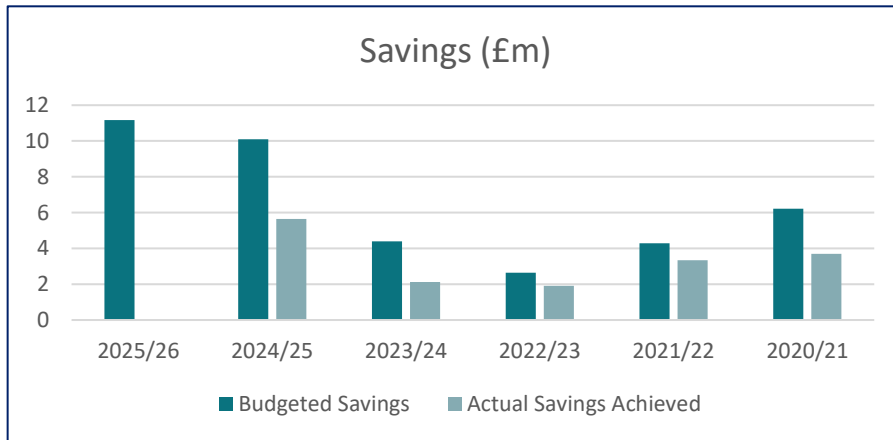
# Wider scope requirements (continued)

## Financial sustainability (continued)

### Savings and transformational change

As explained on page [20](#), the approved budget incorporates the need to make savings in both the Integrated and Set Aside Budgets.

The graph below illustrates the level of savings achieved over the last 5 years against the 2025/26 budgeted amount, demonstrating that the IJB has historically not met its savings targets, and that the 2025/26 savings target is significantly higher than that achieved in previous years.



The delivery plan which was approved alongside the 2025/26 budget has been aligned to the strategic commissioning plan which identifies areas where cost reduction can be achieved. This aims to explore all feasible options to deliver the Strategic Commissioning Plan priorities within the available resources.

The key elements of the Delivery Plan are under 4 thematic areas:

- Raising Revenue;
- Doing Things Differently;
- Doing Less; and
- Doing Things More Efficiently.

To monitor the achievement of the delivery plan, a three person Project Management team appointed on a secondment basis has been put in place since August 2025 who report to the Head of Strategic Planning and Health Improvement to ensure progressing the delivery plan, supporting the Senior Leadership Team (SLT) structure, and informing future reporting to both the Finance, Audit and Performance Committee (FAPC) and the Board.

Reporting from the Delivery Plan meetings is fed to the SLT and included in Board meetings where the Head of Strategic Planning and Health Improvement provides an update to the Board on the status of achievement of the delivery plan.

# Wider scope requirements (continued)

## Financial sustainability (continued)

### Workforce planning

A key enabling activity identified within the Delivery Plan is workforce planning.

The Integrated Workforce Plan 2022-2025 continues to form the basis of the Health & Social Care Partnership's Strategic Workforce Planning and is based on the continuous improvement cycle 'Plan, Do, Study & Act', to ensure that they are a dynamic and flexible organisation, capable of responding to system changes.

In the current year, the annual review of the integrated workforce was carried out and one of the biggest risks faced by the IJB continues to be the availability of workforce and the reliance on temporary staff.

It is critical that the actions identified in the Workforce Plan are taken forward and closely monitored to support the delivery of the Strategic Commissioning Plan.

### Deloitte view – financial sustainability

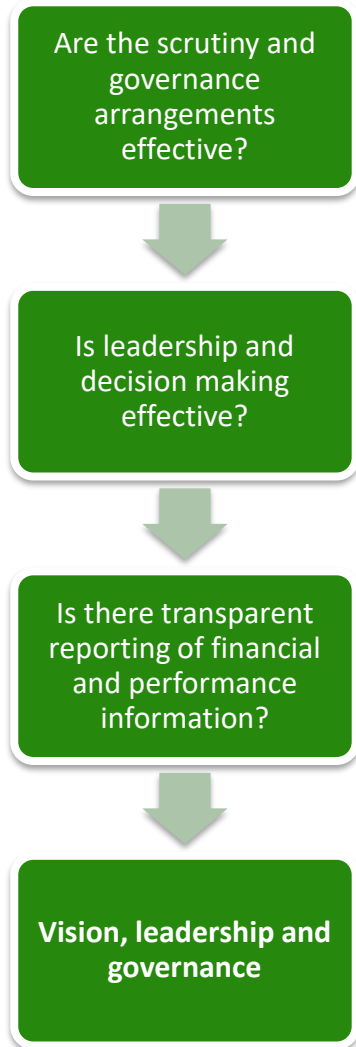
The IJB overspent its budget in 2024/25 and achieved financial balance only after the utilisation of reserves and additional contribution from constituent authorities. The IJB currently has a nil general reserve which is against the IJB's Reserves Policy. A plan should be devised as to how the reserves position will be improved.

For FY26, the IJB has set an unbalanced budget with significant savings required. In 2024/25, the IJB achieved 55.9% of its planned savings and has set an even greater savings plan of £11.162m for 2025/26, which is required to be achieved in order to reduce the planned deficit. The IJB must implement robust measures to identify and achieve savings, thereby reducing the planned deficit. Failure to do so will exacerbate the current financial unsustainability.

There is a three-year Medium-term financial plan however, the IJB is still forecasted to be in a deficit at the end of the third year, with only the second year achieving any surplus on budget. We would recommend Management should review this plan and align this to the Scottish Government's MTFS as this was published after the IJB had set their MTFS.

# Wider scope requirements (continued)

## Vision, leadership and governance



### Significant risks identified in Audit Plan

In our audit plan, we highlighted the consultation and consideration for approval by the partner bodies for the revised Integration Scheme, the appointment of an interim Chief Officer and the decision to combine the Audit and Risk Committee with the Finance and Performance Committee to create the Finance, Audit and Performance Committee.

### Vision and strategy

The IJB's Strategic Commissioning Plan covering the period 2023-2033 was approved by the Board in March 2023. This plan will be subject to substantive review at least every 3 years to comply with legislation and statutory guidance. The vision is clearly defined within the Plan, as:

***"Enabling people in Clackmannanshire & Stirling to live full and positive lives within supportive communities by working together and promoting wellbeing".***

The plan sets out the following 5 strategic themes:

1. Prevention, early intervention and harm reduction
2. Independent living through choice and control
3. Achieving care closer to home
4. Supporting and empowering people and communities
5. Reducing loneliness and isolation

Performance against the delivery of the plan is monitored as part of the quarterly Performance Reports. These reports also set out how the IJB priorities link with the National Health and Wellbeing Outcomes.

# Wider scope requirements (continued)

## Vision, leadership and governance (continued)

### Leadership

The Partnership Senior Management Team was led by the Joanna MacDonald, the Interim Chief Officer between December 2024 to December 2025. She replaced David Williams who was the Chief Officer till November 2024. The IJB has experienced significant turnover in its Chief Officer position, with six different individuals having held this role over the past 10 years. The IJB did not operate with a Section 95 Officer for the period 18 October to 21 December 2025 which is not in line with the requirements of section 95 of the Local Government (Scotland) Act 1973. An interim Section 95 Officer assumed office on the 22 December 2025.

The Chair and the Vice Chair of the Board changed in April 2024 in line with the partnership agreement, which requires these positions to rotate across constituent authorities every two years. Stirling Council nominated the new Chair of the IJB, at its October 2024.

### Governance and scrutiny arrangements

#### *Integration Scheme*

The Integration Scheme is a key feature of the governance arrangements in place and sets out the legal partnership agreement between NHS Forth Valley and Clackmannanshire and Stirling Councils. The Scheme sets out the functions delegated to the IJB, under the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act).

Under the requirements of the Act, local authority and NHS Boards are required to review the Integration Scheme within 5 years of the scheme being approved (i.e. by October 2020 at the latest). An initial review was undertaken in January 2020, this did not progress due to the pandemic, ongoing service pressures and other competing demands. The Integration Scheme for the IJB is currently under review and awaiting approval by all three constituent authorities. In the current year, this has been approved by 2 out of the 3 constituents' bodies, with the other authority seeking further revisions before consideration for approval. This was expected to be laid before the Scottish Parliament in Quarter 1 of 2025 but is still yet to be concluded. It is important that this is progressed to ensure full compliance with the Act.

#### *NHS Forth Valley Escalation Framework*

On 23 November 2022, NHS Forth Valley, a key partner of the IJB, was escalated to Stage 4 of the NHS Scotland Performance Escalation Framework for concerns relating to Governance, Leadership and Culture. The Board was de-escalated to stage 2 and with the continued development of the Compassionate leadership and culture change programme and its corresponding reports to the Board, NHS Forth Valley are committed to a path of further de-escalation.

# Wider scope requirements (continued)

## Vision, leadership and governance (continued)

### Governance and scrutiny arrangements (continued)

#### Finance, Audit and Performance Committee (FAPC)

The IJB approved the establishment of the Finance, Audit and Performance Committee and its Terms of Reference at a special meeting on 7 February 2025. This combined the existing Audit & Risk Committee(ARC) and the Finance Performance Committee(FPC) which were in place till February 2025.

Membership of the new FAPC is 8 voting members (2 from each constituent Council and 4 from NHS Forth Valley), plus 2 non-voting members, meeting 4 times a year.

There was no annual assurance statement as the FAPC was established part way through the 2024/25 year and could not reasonably discharge its Terms of Reference in a part year. The annual assurance statement will be re-established once FAPC has been in place for a full year.

The FAPC oversaw the work of Internal Audit and a substantial assurance in relation to Clackmannanshire and Stirling Integration Joint Board's arrangements for risk management, governance, and control for the year to 31 March 2025.

#### Transparency of reporting

All Board and FAPC (previously ARC) papers and minutes are publicly available through the Health and Social Care Partnership website. The partnership website includes a suite of information including strategic plan, annual accounts and annual performance reports that can be accessed by members of the public.

#### Deloitte view – Vision, leadership and governance

The IJB operated without a named Section 95 officer from 18 October 2025 to 21 December 2025. Per the Local Government (Scotland) Act 1973 it is a requirement to have a named officer with responsibility for the administration of financial affairs in place. It is our understanding that during this time the responsibilities of the Section 95 Officer were shared between the Chief Finance Officers of the three partner bodies. However, there was no named officer with overall responsibility for the financial affairs of the IJB in place.

The IJB has experienced significant turnover in its Chief Officer position, with six different individuals having held this role over the past 10 years. This poses a risk to entity's strategic continuity, operational stability, and the robustness of its governance.

The Constituent authorities have not completed the review of the Integration Scheme including issuance of a revised Integration Scheme.

# Wider scope requirements (continued)

## Use of resources to improve outcomes



### Significant risks identified in Audit Plan

In our audit plan we highlighted that given the ongoing pressures across the health and care system, including issues on delays in patient discharge and workforce capacity, there is a risk that performance reporting has not been timely, reliable, balanced and transparent. There are also the longer-term uncertainties around the National Care Service.

### Performance management framework

The Integration Joint Board has a responsibility to ensure effective performance monitoring and reporting. The IJB monitors performance and measures impact for the communities against their Strategic Commissioning Plan priorities and be able to share with communities and stakeholders.

The IJB approved an Integrated Performance Framework in June 2024 which is used to drive the performance culture, with evidence-based decision making, service planning and response as well as supporting greater ability for scrutiny in an open and transparent environment. This sets out the indicators and measurement, format and frequency of reporting, concepts and tools and the level of reporting and escalation.

The Integrated Performance Framework relies on an integrated approach to managing, using, and understanding our data. This is because driving performance is most efficiently achieved based on a sound understanding of the systems and processes involved. Analysing data alongside listening to supported people and other stakeholders provides the best way to do that and provides advantage in planning change, deploying preventative approaches, evidencing our functions under legislation and driving process and cost efficiency.

The performance management reporting cycle includes the annual performance report, quarterly performance report, monthly key performance measures report and other weekly and daily operational reports.

# Wider scope requirements (continued)

## Use of resources to improve outcomes

### **Deloitte view –Use of resources to improve outcomes**

The IJB has further enhanced its performance management framework with the approval of the Integrated Performance Framework (IPF) in June 2024. This revised framework promotes a culture of performance driven by data-informed decision-making, effective service planning and responsiveness, and a commitment to greater transparency and accountability through enhanced scrutiny.

Regular reporting on performance is provided to the Board through the quarterly performance reports against the strategic themes and the annual performance report again.

# Wider scope requirements (continued)

## Best value

### Requirements

It is the duty of the IJB to secure Best Value as prescribed in Part 1 of the Local Government in Scotland Act 2003. We have a statutory duty to be satisfied that the IJB have made proper arrangements for securing BV.

#### Duty to secure Best Value

1. It is the duty of the IJB to make arrangements which secure Best Value.
2. Best Value is continuous improvement in the performance of the IJB's functions.
3. In securing Best Value, the IJB shall maintain an appropriate balance among:
  - a) The quality of its performance of its functions;
  - b) The cost to the IJB of that performance; and
  - c) The cost to persons of any service provided by the IJB for them on a wholly or partly rechargeable basis.
4. In maintaining that balance, the IJB shall have regard to:
  - a) Efficiency;
  - b) Effectiveness;
  - c) Economy; and
  - d) The need to make the equal opportunity requirements.
5. The IJB shall discharge its duties in a way that contributes to the achievement of sustainable development.
6. In measuring the improvement of the performance of an IJB's functions, regard shall be had to the extent to which the outcomes of that performance have improved.

#### Conclusions

The IJB has a number of arrangements in place to secure best value. As noted elsewhere within this report, the Strategic Commissioning Plan provides a clear vision and has specific focus on some of the BV characteristics.

Best Value is monitored through the reporting to the Board which includes the Quarterly Performance reports, finance reports and service area reports which are all reviewed by the Board. These reports include BV reviews of services provided.

Financial sustainability continues to be a significant risk to the IJB. In the current year, as set out in the financial sustainability section, a Project Management team has been put in place to monitor the delivery of the savings plans which is also a way of securing best value for the IJB.

#### Deloitte view – Best Value

The IJB has sufficient arrangements in place to secure best value and has a clear understanding of areas that require further development. Significant work is still required to make the level of savings delivery needed to ensure financial sustainability, both short term and long term.



# Appendices



# Audit adjustments

## Uncorrected misstatements

We have not identified any uncorrected misstatements up to the date of this report.

## Disclosure deficiencies

We have not identified any disclosure deficiencies up to the date of this report.

# Action Plan

The following recommendations have arisen from our 2024/25 audit work:

Recommendation	Management Response	Priority	Responsible Person	Target Date
<b>1. Financial Sustainability</b> The overspend of the budget, challenges in achieving the savings plan and the unbalanced budget for 2025/26 poses a risk to the financial sustainability of the IJB. The IJB should put in place robust measures to ensure savings are monitored and achieved in order to reduce the planned deficit for 2025/26.	The IJB Chief Finance Officer will review the draft 2025/26 outturn position and provide an approach to bring the budget into balance.	High	IJB Chief Finance Officer	March 2026
<b>2. Vision, leadership and governance- Section 95 Officer role</b> The IJB's Section 95 officer left their post in mid October 2025. Following this date the IJB did not have a named Section 95 officer in place, until mid December 2025 when an interim Section 95 officer was appointed.	The IJB Chief Finance Officer will recommend an approach to ensure the S95 Officer responsibilities can be covered if the post holder has an extended period of absence or leaves with the HSCP.	High	FAPC and the Board	March 2026
<b>3. Vision, leadership and governance- Chief Officer Role</b> The IJB has experienced significant turnover in its Chief Officer position, with 6 different individuals having held this role over the past 10 years. The IJB should seek to find a permanent recruitment to this role to ensure operational and governance stability.	The HSCP has appointed an Interim Chief Officer prior to starting the recruitment process to appoint a new permanent Chief Officer.	High	The Board	March 2026

# Action Plan (continued)

We have followed up the recommendations made in 2023/24. We note that out of the 5 recommendations, only 1 has been fully implemented as documented below

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<b>1. Housing Aids &amp; Adaptions</b> The amount of costs incurred by Stirling Council in relation to Housing Aids & Adaptions should be reassessed and more transparent. Additionally, this should be within Stirling Council's Revenue Budget paper for future financial years and the IJB should include a section within future IJB Revenue Budget papers. This would provide deeper clarification and an enhanced audit trail.	Accepted – IJB and Stirling Council CFOs will review treatment and reporting to enhance transparency and understanding.  Stirling Council and IJB will consider presentation within future revenue budget papers	Low	<b>Open</b> Some consideration was given within the 2025/26 revenue budget however there is scope for further improvement in future years to ensure consistency across both councils.
<b>2024/25 update:</b> While acknowledging initial consideration in the 2025/26 revenue budget, the recommendation remains open, requiring full implementation and consistent reporting across in future years.			
<b>2. Financial management – financial reporting</b>  Whilst a RAG rating has been implemented into the savings plan, further analysis relating to risks of non-achievement and illustration of current/future implications are lacking. This should be progressed to further develop and improve financial reporting.	Accepted – IJB CFO will consider within future financial reports to IJB / committee.	Low	<b>Complete</b> Further detail now provided with IJB financial reports.

# Action Plan (continued)

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p><b>3. Financial sustainability – budget setting</b></p> <p>The activity and cost model in relation to Set Aside arrangements should be developed. In addition to complying with legislation, this would identify areas where spending could be preserved and subsequently aid the savings requirement for the Set Aside for future years.</p> <p><b>2024/25 update:</b> Similar to our recommendation last year, management should seek to fully develop the activity and cost model in relation to set aside arrangements.</p>	<p>Accepted – Matter already being considered by both IJBs and NHS Forth Valley. Activity information requirements being accessed to develop model in line with legislative requirements. It is anticipated that this will allow arrangements to be progressed for 2025/26 financial year.</p>	<p>Medium</p>	<p><b>Open</b></p> <p>Work has been undertaken and supported by NHS FV information services on an appropriate dataset to support set aside arrangements. Discussions ongoing with Falkirk IJB and NHS FV as to how best to use information as basis for identifying future improvements and how this aligned to improving unscheduled care work on whole system basis and initiatives aiming to shift the balance of care. Aim is for both IJBs to highlight shifting the balance of care opportunities via 2026/27 Business case process.</p>

# Action Plan (continued)

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Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p><b>4. Financial sustainability – medium-to-long-term planning</b></p> <p>Currently, the IJB is not financially sustainable. A more comprehensive medium-term financial outlook post publication of the Scottish Government’s next Medium Term Financial Strategy and Medium Term Financial Framework should be developed and implemented as soon as viably possible.</p> <p><b>2024/25 update:</b> See page <a href="#">30</a>.</p>	<p>Accepted – It is currently understood that Scottish Government will publish updated Medium Term Financial Strategy and Medium Term Financial Framework for Health and Social Care by end of 2024. An updated medium-term financial outlook will be developed aligned to these publications and financial planning assumptions of the constituent authorities of the IJB.</p>	<p>Medium</p>	<p><b>Open</b></p> <p>A medium term Financial plan was incorporated within the Revenue budget for 25/26.</p>

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# Action Plan (continued)

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p><b>5. Financial sustainability – reserves</b></p> <p>The utilisation of reserves is not sustainable and places itself and its partner bodies at risk. Although this is a common theme for IJBs across the country, reserves levels should be actively monitored and being applied for the purposes intended. A plan should also be devised as to how the reserves position will be improved.</p> <p><b>2024/25 update:</b> Reserves levels have continued to deteriorate and there is currently no general reserve with earmarked reserve at £9.8m. This is not in line with the IJB's reserve policy. A plan should be devised as to how the reserves position will be improved.</p>	<p>Accepted</p> <p>To be considered as part of the updated medium term financial outlook. It should however, be understood that re establishing a prudential level of general reserves will be extremely challenging.</p>	<p>Medium</p>	<p><b>Open</b></p> <p>FAPC request further discussion on reserves at the June 2025 meeting. The extant reserves policy/strategy maintains an aspirational reserves position however, it is difficult to see how this could be achieved whilst delivering statutory services at this current point in time. IJB reserves highlighted through financial sustainability work of Health and Social Care Scotland and will continue to feature in national level discussions.</p>

# Action Plan (continued)

We have followed up on open recommendation made in previous audits. Only one remains open in the current year which we have set out below.

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p><b>1. Lack of preparation for the IJB audit</b></p> <p>We would recommend that in the future, there is better communication between the constituent authorities and the IJB and that there is an agreed timetable in place with the IJB and the constituent authorities to collate information for the start of the audit.</p> <p><b>2024/25 update:</b> Deloitte were informed of the delays, and a revised timetable was set, however, due to the exit of key finance team members, the 24/25 audit was delayed again.</p>	<p>Interim discussion on learning points was held with Finance Working Group. The IJB CFO also completed a survey issued by Audit Scotland.</p> <p>The 2023/24 year-end timetable was drafted and discussed at Finance Working Group prior to year-end.</p>	Medium	<p><b>Open</b></p> <p>The FAPC is presented with a report in relation to delay to unaudited accounts at June 25 meeting. Deloitte were notified and revised timetable meant audit commenced in first week of September 2025. Initial discussion on future improvements held via Finance Working Group to be revisited once all 2024/25 statutory audits are complete.</p>



# Our other responsibilities explained

## Fraud responsibilities and representations



### Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

### Required representations:

We have asked the IJB to confirm in writing that you have disclosed to us the results of your own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that you have disclosed to us all information in relation to fraud or suspected fraud that you are aware of and that affects the IJB.

We have also asked the IJB to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error and their belief that they have appropriately fulfilled those responsibilities.



### Audit work performed:

In our planning we identified the risk of management override of controls as a key audit risk.

During course of our audit, we have had discussions with management and those charged with governance.

In addition, we have reviewed management's own documented procedures regarding fraud and error in the financial statements.

We will explain in our audit report how we considered the audit capable of detecting irregularities, including fraud. In doing so, we will describe the procedures we performed in understanding the legal and regulatory framework and assessing compliance with relevant laws and regulations.

### Concerns:

No issues or concerns have been identified in relation to fraud.

# Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation	We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of the IJB and our objectivity is not compromised.	
Fees	The expected fee for 2024/25, as communicated by Audit Scotland in January 2025 is analysed below:	
		£
	Auditor remuneration	36,890
	Audit Scotland fixed charges:	
	• Pooled costs	930
	• Contribution to PABV costs	7,080
	• Sectoral cap adjustment	(10,900)
	<b>Total expected fee</b>	<b>34,000</b>
Non-audit services	We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.	
Relationships	We have no other relationships with the IJB, its directors, senior managers and affiliates, and have not supplied any services to other known connected parties.	



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# Clackmannanshire & Stirling Integration Joint Board Finance, Audit and Performance Committee

14 January 2026

Agenda Item 5

## Internal Audit Update

*For Noting*

<b>Paper Approved for Submission by:</b>	Jennifer Borthwick, Interim Chief Officer
<b>Paper presented by:</b>	Gordon O'Connor, Audit Service Manager, Stirling Council
<b>Author:</b>	Gordon O'Connor, Audit Service Manager, Stirling Council
<b>Exempt Report:</b>	No

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

<b>Purpose of Report:</b>	This report provides an update on planned 2025/26 Internal Audit work.
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<b>Recommendations:</b>	<p>The Finance, Audit and Performance Committee is asked to note that:</p> <ol style="list-style-type: none"> <li>1) work has commenced on the Internal Audit review of the IJB's Delivery Plan and Associated Budget Monitoring;</li> <li>2) this work is being carried out in line with the Assignment Brief at Appendix 1; and</li> <li>3) progress will be reported to the Finance, Audit and Performance Committee on an ongoing basis.</li> </ol>
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<b>Key issues and risks:</b>	<p>The role of Internal Audit is to provide the Finance, Audit and Performance Committee with assurance on the IJB's arrangements for risk management, governance and control. Work undertaken by Internal Audit aims to reduce or mitigate risk to which the IJB may be exposed.</p> <p>Consideration of this report enables the Finance, Audit and Performance Committee to discharge its remit to 'assess the adequacy and effectiveness of the IJB's internal controls and corporate governance arrangements.' This is in line with the Committee's Terms of Reference, as approved at a special meeting of the Integration Joint Board on 07 February 2025.</p>
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## 1. Background

- 1.1. On 24 February 2016 the Integration Joint Board (the IJB) agreed that Internal Audit services will be provided by the Internal Audit teams (of the constituent bodies), with responsibility for IJB Internal Auditor duties undertaken by the Chief Internal Auditor of one of the constituent bodies. It was agreed that this responsibility will rotate between the Chief Internal Auditors of the constituent bodies on a three yearly basis.

- 1.2. For the three years from 01 April 2025 the responsibility for leading on the delivery of Internal Audit services to the IJB falls to Stirling Council's Audit Service Manager.
- 1.3. Internal Audit's Plan for 2025/26 (the Plan) was agreed by the Finance, Audit and Performance Committee (the Committee) on 25 June 2025.
- 1.4. This report provides an update on progress with the work set out in the Plan.

## **2. Progress Report on Internal Audit Work**

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- 2.1. The Internal Audit Plan for 2025/26 set out the three substantive assignments:
  - review of delivery plan and associated budget monitoring;
  - review of assurance frameworks, focussing on assurances in respect of delivery of accountabilities set out in the Integration Scheme; and
  - progress with implementing previous Internal Audit recommendations.
- 2.2. The work on delivery plan and associated budget monitoring has commenced. The Assignment Brief at **Appendix 1** was agreed with the Chief Officer and the Chief Finance Officer on 30 September 2025. To date, Internal Audit work has comprised discussions with the Chief Finance Officer (prior to their departure) and the Head of Strategic Planning and Health Improvement, as well as desk-based review of relevant documentation.
- 2.3. Progress with this, and other, Internal Audit assignments will be reported to future meetings of the Committee. A summary of the key findings arising from each review, along with recommendations made by Internal Audit, will also be reported to the Committee
- 2.4. On completion of each assignment, Internal Audit will issue a draft report to the Chief Officer and Chief Finance Officer. This will include an opinion on the adequacy of risk management, governance and control arrangements in the area under review and an action plan setting out any recommendations for improvement. The assurance will be provided in line with the definitions at **Appendix 2**.
- 2.5. Where Internal Audit makes recommendations, the Chief Officer, Chief Finance Officer or other officer nominated by the Chief Officer / Chief Finance Officer will be required to provide formal responses (including implementation date and responsible officer). The report and action plan will then form the final record of the assignment.
- 2.6. Each year, an Internal Audit Annual Assurance Report will be presented to the Committee providing an overall opinion on the IJB's risk management, governance and control arrangements based on Internal Audit work carried out over the course of the year.

### 3. Conclusions

- 3.1. Work on delivering the assignments set out in the Internal Audit Plan for 2025/26 has commenced. The findings and conclusions arising from Internal Audit work will allow the Audit Service Manager to provide an overall opinion on arrangements for risk management, governance and control. This will be set out in an Internal Audit Annual Assurance Report to the Committee.

### 4. Appendices

**Appendix 1:** Internal Audit Assignment Brief - Delivery Plan and Associated Budget Monitoring

**Appendix 2:** Definition of Assurance Categories

Fit with Strategic Priorities:	
Prevention and Early Intervention	<input type="checkbox"/>
Independent Living through Choice and Control	<input type="checkbox"/>
Achieve Care Closer to Home	<input type="checkbox"/>
Supporting People and Empowering Communities	<input type="checkbox"/>
Reducing Loneliness and Isolation	<input type="checkbox"/>
Enabling Activities	
Medium Term Financial Plan	<input type="checkbox"/>
Workforce Plan	<input type="checkbox"/>
Commissioning Consortium	<input type="checkbox"/>
Transforming Care	<input type="checkbox"/>
Data and Performance	<input type="checkbox"/>
Communication and Engagement	<input type="checkbox"/>
Implications	
<b>Finance:</b>	No direct financial implications.
<b>Other Resources:</b>	Delivery of planned Internal Audit work will require a time commitment from senior IJB officers.
<b>Legal:</b>	IRAG guidance on the financial implications of integrating health and social care in line with the Public Bodies (Joint Working) (Scotland) Act 2014 requires 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.

<b>Risk &amp; mitigation:</b>	Internal Audit work is planned taking account of the IJB's Strategic Risk Register and seeks to provide an overall opinion on the IJB's arrangements for risk management, governance and control.
<b>Equality and Human Rights:</b>	The content of this report does not require an EQIA
<b>Data Protection:</b>	The content of this report does not require a DPIA
<b>Fairer Duty Scotland</b>	<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:  <a href="https://www.gov.scot/publications/fairer-scotland-duty-guidance-for-public-bodies/pages/1-introduction.aspx">Fairer Scotland Duty: guidance for public bodies - gov.scot (www.gov.scot)</a></p> <p><b>Please select the appropriate statement below:</b></p> <p>This paper does not require a Fairer Duty assessment.</p>



## Internal Audit Assignment Brief



### Delivery Plan and Associated Budget Monitoring

<b>Key Contacts:</b>	Joanna Macdonald, Interim Chief Officer - IJB Wendy Forrest, Head of Strategic Planning and Health Improvement Ewan Murray, Chief Finance Officer - IJB
<b>Internal Audit Team:</b>	Gordon O'Connor, Audit Service Manager Steven McDermott, Internal Audit Team Leader Graham Templeton, Senior Internal Auditor

#### Background

On 02 May 2025, the Clackmannanshire and Stirling Integration Joint Board (the IJB) approved the IJB Revenue Budget (the budget) for financial year 2025/26, having considered the report from the Chief Finance Officer, titled '[Indicative IJB Revenue Budget 2025/26, Draft 2025/26 to 2027/28 Delivery Plan, and Medium-Term Financial Plan 'Needs Led – Resource Bound' \(Revised\)](#)'.

The report included a breakdown of the 2025/26 Integrated Budget payments to the IJB, from the constituent authorities, reproduced at Table 1.

**Table 1**  
**IJB Indicative Strategic Plan Budget 2025/26**

	£m
<b>Set Aside Budget for Large Hospital Services</b>	<b><u>36,333</u></b>
<b><u>Integrated Budget</u></b>	
Payment from Clackmannanshire Council	30,047
Payment from Stirling Council	57,337
Payment from NHS Forth Valley	154,576
<b>Sub Total Integrated Budget</b>	<b><u>241.96</u></b>
<b>Total Indicative Strategic Plan Budget 2025/26</b>	<b><u>278.293</u></b>

Paragraphs 3.2 and 3.3 of the report noted that this position resulted in an estimated financial gap remaining of £7.892m for 2025/26 at the time of the March IJB meeting. NHS Forth Valley had agreed a further contribution of £4m (broadly a voting shares contribution to the gap) and that Stirling Council would formally consider provision to support an additional payment of up to £1.973m by means of an earmarked reserve, on the same basis. Subject to approval this would reduce the estimated residual financial gap to under £1.894m for 2025/26. Stirling Council approved the creation of that earmarked reserve at its meeting on 1 May 2025.

As the IJB was unable to present a deliverable balanced budget a recovery plan to balance the budget gap was agreed by the IJB's Chief Officer and Chief Finance Officer, and the Chief Executives of the constituent authorities, as required under paragraph 8.5.1 of the [Clackmannanshire & Stirling Health and Social Care Integration Scheme](#). The IJB also approved the '[Delivery Plan 2025/26 to 2027/28 and Medium-Term Financial Plan](#)' (the Delivery Plan) on 02 May 2025.

The Delivery Plan has been aligned to [Strategic Commissioning Plan 2023-2033](#)<sup>1</sup> priorities and is structured between strategic actions and management actions across four themes. These themes are: raising revenue; doing things differently; doing less; and doing things more efficiently.

The Delivery Plan covers three financial years and includes estimated net savings of £11.163m (2025/26), £8.821m (2026/27) and £2.254m (2027/28).

<sup>1</sup>Sets out how services will be delivered across Clackmannanshire and Stirling over the ten-year period.

On [13 August 2025](#) and [24 September 2025](#), the Head of Strategic Planning and Health Improvement and the Chief Finance Officer submitted reports to the IJB, titled 'Monitoring the 2025/26 to 2026/27 Delivery Plan' setting out the approach to monitoring the Delivery Plan and developments in establishing project management capacity and project management office arrangements.

Also on 24 September 2025, the Chief Finance Officer submitted a report to the IJB, titled '[Financial Report](#)'. This report included an assessment of how the Delivery Plan could partially mitigate the projected overspend for financial year 2025/26.

### **Risk Context**

The scope of this review will consider and provide assurance in relation to specific Strategic Risks currently faced by the IJB from the Strategic Risk Register<sup>2</sup>. These Strategic Risks are summarised at Table 2.

**Table 2**  
**Extract from IJB Strategic Risk Register**

Reference & Risk Title	Risk Score	Description	Risk Owner
<b>HSC 001</b> <b>Delivery of Strategic Commissioning Plan within available budget</b>	<b>25</b>	<p><b><u>Risk</u></b> The risk that delegated integration functions and services cannot be delivered within resources available.</p> <p><b><u>Cause</u></b> Demand for statutorily provided services exceeds ability to deliver within budget and available resources. Cost of delivery of services exceeds provided and available budget. Insufficient funding allocations to the IJB from Partners.</p> <p><b><u>Effect</u></b> Inability to deliver Strategic Plan.</p>	Chief Officer
<b>HSC 012</b> <b>Transformation and Sustainable Service Delivery</b>	<b>20</b>	<p><b><u>Risk</u></b> The risk that the programme of transformational change detailed in the 2025/26 to 2027/28 Delivery Plan is inadequate to balance financial and service sustainability.</p> <p><b><u>Cause</u></b> Transformation not delivering estimated financial impact and/or not being deliverable at pace or scale envisaged.</p> <p><b><u>Effect</u></b> Overspend or lack of demonstrable progress in Strategic Commissioning Plan priorities and / or National Health and Wellbeing outcomes.</p>	Chief Officer / Chief Finance Officer

### **Assurance Objectives**

This review is part of our 2025/26 Internal Audit Plan, agreed by the Finance, Audit and Performance Committee on 25 June 2025. We will develop a plan and programme of work to allow us to evaluate and provide assurance on the governance, project management, financial management, and monitoring and reporting arrangements associated with the Delivery Plan, in particular:

1. the roles, responsibilities and accountabilities within the Integration Joint Board and the Clackmannanshire and Stirling Health and Social Care Partnership, for developing and approving the Delivery Plan's strategic actions and management actions;
2. reviewing progress with implementing the governance, risk management, programme planning and project management arrangements that should be in place to support the achievement of the Delivery Plan's strategic actions and management actions; and
3. the arrangements for monitoring and reporting progress with achieving all of the savings included in the Delivery Plan for financial year 2025/26.

<sup>2</sup>Reported to the Integration Joint Board on 13 August 2025.

## Definition of Assurance Categories

Level of Assurance	Definition
<b>Comprehensive assurance</b>	Sound systems for risk management, governance, and control are in place. These should be effective in mitigating risks to the achievement of business and control objectives. Some improvements to existing controls in a few, relatively minor, areas may be required.
<b>Substantial assurance</b>	The systems for risk management, governance, and control are largely satisfactory. There is, however, some scope for improvement as the current arrangements could undermine the achievement of business and / or control objectives and leave them vulnerable to risk of error or abuse.
<b>Limited assurance</b>	The systems for risk management, governance, and control have some satisfactory aspects. However, they contain a number of significant weaknesses that are likely to undermine the achievement of business and / or control objectives and leave them vulnerable to an unacceptable risk of error or abuse.
<b>No assurance</b>	The systems for risk management, governance, and control are ineffectively designed or are operated ineffectively. Business and / or control objectives are not being achieved, and the risk of serious error or abuse is unacceptable. Significant improvements are required.

# Clackmannanshire & Stirling Integration Joint Board Finance, Audit and Performance Committee

14 January 2026

Agenda Item 6

## Strategic Risk Register

*For Approval*

<b>Paper Approved for Submission by:</b>	Jennifer Borthwick, Interim Chief Officer
<b>Paper presented by</b>	Ross Cheape, Head of Service
<b>Author(s)</b>	Ross Cheape, Head of Service
<b>Exempt Report</b>	No

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

<b>Purpose of Report:</b>	To provide the Finance, Audit and Performance Committee the Strategic Risk Register for consideration and approval.
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<b>Recommendations:</b>	<p>The Finance, Audit and Performance Committee is asked to:</p> <ol style="list-style-type: none"> <li>1) Consider, discuss and comment on the Strategic Risk Register</li> <li>2) Approve the addition to the Strategic Risk Register</li> <li>3) Approve the transfer of the Strategic Risk Register to Pentana.</li> <li>4) Note the alterations to the management of the Strategic Risk Register</li> </ol>
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## 1. Background and Considerations

- 1.2 The current Strategic Risk Register (SRR) is contained within Appendix 1. To date this has been reviewed and managed by the Chief Finance Officer (CFO) on behalf of the Senior Leadership Team (SLT) within the Health and Social Care Partnership (HSCP). This plan has been reviewed by SLT and presented with updates to the Finance, Audit and Performance Committee (FAP) for scrutiny, amendment and agreement before being presented to the Integration Joint Board (IJB).
- 1.3 From November 2025 the responsibility for maintaining the SRR has transferred to the Head of Service for Mental Health and Learning Disability Services. Building on the work undertaken by the previous CFO the management of the SRR will be enhanced by hosting this on the NHS Forth Valley Risk Management System. To do this the risk stratification requires some amendments and the details of this are set out below.

## 2. Risk Stratification and the Risk Management System

- 2.1 Risks are currently quantified by multiplying the scores given to the likelihood and impact of the risk. These facets are each assessed on a scale of 1-5 with five being the most likely and biggest impact.

- 2.2 Risk scores are then categorised as High/Red when the score is over 15, Medium/Amber when scores are 9-15 and Low/Green when scores are 8 or below.
- 2.3 The Impact category set out on the current SRR is determined by the highest score across the categories of: Patient Harm, Patient Experience, Transformation/Innovation, Health and Safety, Service Delivery/Business Interruption, Workforce, Financial, Inspection/Audit, Public Confidence, Health Inequalities and Environmental Sustainability/Climate Change.
- 2.4 The proposed change would see the adoption of Appendix 2 for scoring and risk stratification, which broadly aligns with the current assessment of risk, however the process is hosted on the electronic risk management system – Pentana.
- 2.5 The total risk score for the lead impact category would then be assessed against the parameters set for Appetite and Tolerance. Any risk scoring above these parameters would be identified for intervention and regular review.
- 2.6 The benefit of moving the current risks to Pentana is that this will have greater visibility and support from Risk Management specialists to support the assessment and management of risks for the IJB. The guidance used in navigating these assessments will be the NHS Forth Valley Corporate Guidance, which is broad enough to encompass the wide range of Health and Social Care services delivered by the HSCP.

### **3. Key Changes to Strategic Risk Register including Risks with Changed Risk Scores**

- 3.1. The risks logged on the SRR remain unchanged since its previous submission to the FAP. HSCP SLT has reviewed the risks in line with the workplan and are content with the current timeframes for ongoing monitoring and delivery. These unchanged risks are set out within Appendix 1, reference numbers HSC001-HSC012, noted below for ease of reference.
  - HSC001 – Delivery of the Strategic Commissioning Plan
  - HSC002 – Systems Leadership and Commitment to Existing Model of Integration, Decision Making and Scrutiny
  - HSC003 – Delivery of Integrated Performance Framework
  - HSC004 – Delivery of Integrated Work Plan
  - HSC005 – Patient / Service User Experience
  - HSC006 – Information Management and Governance
  - HSC007 – Harm to Vulnerable People, Public Protection and Clinical and Professional Care Governance
  - HSC008 – Sustainability of Adult Placement in External Care Home and Care at Home Sectors
  - HSC009 – Primary Care Sustainability
  - HSC010 – Potential Industrial Action
  - HSC011 – Capacity to Deliver Safe and Effective Integration Functions to Support Whole System Performance and Safety

- HSC012 – Transformation and Sustainable Service Delivery

The following risk has been added to the SRR:

HSC013 – Mental Health Officer (MHO) Workforce and Guardianship Orders.

This risk relates to the fragility of the MHO Workforce within each of the two constituent local authorities. The size of the teams and the growing demand for their services makes the service vulnerable to interruption from unplanned absence, vacancy management and surge demands. In turn this creates the conditions where statutory work, including work to support Guardianships is jeopardised.

There is merit, as discussed in January 2025, in splitting this risk into internal (IJB/HSCP) and external (Integration Scheme/constituent authorities) elements going forward. It is proposed that this is considered by the FAP committee in January 2025 as part of the review and scrutiny process. This will also allow for consultation with risk management experts to support recommendations.

#### 4. Appendices

Appendix 1 - Strategic Risk Register

Appendix 2 – NHS Forth Valley Risk Matrix

Fit with Strategic Priorities:	
Prevention and Early Intervention	<input checked="" type="checkbox"/>
Independent Living through Choice and Control	<input checked="" type="checkbox"/>
Achieve Care Closer to Home	<input checked="" type="checkbox"/>
Supporting Empowered People and Communities	<input checked="" type="checkbox"/>
Reducing Loneliness and Isolation	<input checked="" type="checkbox"/>
Enabling Activities	
Medium Term Financial Plan	<input checked="" type="checkbox"/>
Workforce Plan	<input checked="" type="checkbox"/>
Commissioning Consortium	<input checked="" type="checkbox"/>
Transforming Care	<input checked="" type="checkbox"/>
Data and Performance	<input checked="" type="checkbox"/>
Communication and Engagement	<input checked="" type="checkbox"/>
Implications	
<b>Finance:</b>	The risks in relation to finance as incorporated within the Strategic Risk Register.
<b>Other Resources:</b>	As detailed.

<b>Legal:</b>	As a Section 106 Public Body per the Local Government (Scotland) Act 1974 the IJB has statutory duties regarding budget and securing Best Value.
<b>Risk &amp; mitigation:</b>	The Strategic Risk Register sets out the key strategic risks of the IJB and mitigation and control actions. Regular review of the SRR is a key part of the internal control environment.
<b>Equality and Human Rights:</b>	The content of this report <b><u>does not</u></b> require an EQIA
<b>Data Protection:</b>	The content of this report <b><u>does not</u></b> require a DPIA
<b>Fairer Duty Scotland</b>	<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:  <a href="https://www.gov.scot/publications/fairer-scotland-duty-guidance-for-public-bodies/pages/1-introduction.aspx">Fairer Scotland Duty: guidance for public bodies - gov.scot (www.gov.scot)</a></p> <p><b>Please select the appropriate statement below:</b></p> <p>This paper <b><u>does not</u></b> require a Fairer Duty assessment.</p>



**CLACKMANNANSHIRE & STIRLING IJB: STRATEGIC RISK REGISTER @ 11062025**

Ref	Title	Description	Likelihood	Impact	Risk Score	Impact Category	Risk Appetite	Risk Tolerance	Brief Descriptor - Mitigation/Control Actions	Risk Owner(s)	Manager(s) Responsible	Update/Notes / Direction of Travel
HSC 001	<b>Delivery of Strategic Commissioning Plan within available budget</b>	<p><b>Risk</b> The risk that delegated integration functions and services cannot be delivered within resources available.</p> <p><b>Cause</b> Demand for statutorily provided services exceeds ability to deliver within budget and available resources. Cost of delivery of services exceeds provided and available budget. Insufficient funding allocations to the IJB from Partners.</p> <p><b>Effect</b> Inability to deliver Strategic Plan</p>	<p>Current (5)</p> <p>Target (3)</p>	<p>Current (5)</p> <p>Target (3)</p>	<p>Current (25) <b>High</b></p> <p>Target (9) <b>Medium</b></p>	Financial	<p><b>Cautious</b> We wish to achieve sustainability by spending well, making the most of our resources and achieving statutory financial targets.</p>	<p><b>Moderate</b> we are prepared to accept variances for a limited period whilst mitigation/recovery plans are implemented.</p>	<ul style="list-style-type: none"> <li>The Integration Scheme details the actions to be taken in the likelihood of projected overspend on integrated budget and what the process should be should recovery measures fail.</li> <li>3 year Delivery Plan in place, with a range of programmes. identified to support delivery of Strategic Commissioning Plan within allocated budgets</li> <li>Governance / reporting mechanisms for Delivery Plan are in established</li> <li>Financial position monitored on ongoing basis by SLT, IJB FAP Committee, and full IJB.</li> <li>Delivery Plan incorporates Medium Term Financial Plan</li> </ul> <ol style="list-style-type: none"> <li>25/26 Revenue Budget and Delivery Plan approved incorporating risk assessment. (2 May 25)</li> <li>Agreed process for agreement and payment of contract rates including uplifts. (Annually 25/26 complete)</li> <li>Ongoing development of approach to and implementation of directions policy including savings detail at constituent authority level.</li> <li>Develop planning and shared accountability arrangements for Unscheduled Care and the 'set aside' budget for large hospital services. (March 26)</li> <li>Follow integration scheme requirements for recovery plan (Aug 25 if projections indicate required)</li> <li>Development of 26/27 IJB Business Case per Integration Scheme requirement (Sep 25)</li> <li>Development of 26/27 IJB Revenue Budget proposals (Sept 25&gt; March 26)</li> <li>Budget Consultation Aligned to Strategic Commissioning Plan review (Nov 25&gt;Feb 26)</li> <li>Ongoing assessment of further budget recovery options per requirements of Integration Scheme (ongoing)</li> </ol>	Chief Officer	Chief Finance Officer	Revenue Budget and Revised Delivery Plan agreed 2 May Special IJB. Monitoring arrangements being put in place along with performance and activity dashboards.
HSC 002	<b>Systems Leadership and Commitment to Existing Model of Integration, Decision Making and Scrutiny</b>	<p><b>Risk</b> The risk there is inadequate commitment to existing model of integration and that governance and assurance arrangements are unable to allow the IJB to discharge its statutory duties.</p> <p><b>Cause</b> Lack of clarity of role and responsibilities within the IJB, HSCP and Partner Organisations.</p> <p><b>Effect</b> Poor performance in service provision and financial terms leading to Strategic Plan not being delivered</p>	<p>Current (4)</p> <p>Target (2)</p>	<p>Current (4)</p> <p>Target (4)</p>	<p>Current (16) <b>High</b></p> <p>Target (8) <b>Low</b></p>	Compliance	<p><b>Averse</b> - We are not prepared to take any risk when discussing our regulatory compliance or in delivery of the Strategic Commissioning Plan priorities.</p>	<p><b>Cautious</b> - We are prepared to take informed risks provided that benefit outweighs the negative outcome.</p>	<p>This risk is intended to cover the relationship between the constituent authorities and the IJB and the Integration Scheme itself which though the legal partnership agreement establishing and governing the IJB is a key governance framework of the constituent authorities as well as the IJB.</p> <ol style="list-style-type: none"> <li>The Integration Scheme sets out roles and responsibilities of the IJB (including statutory officers) and the Partner Organisations.</li> <li>A revised IS has been developed and approved by 2 of the 3 partners.</li> <li>Dispute process now invoked to seek to resolve matters including revised IS. (ongoing)</li> <li>HSCP Performance Review established (June 25)</li> <li>The Standing Orders of the IJB have been reviewed and updated (Nov 24)</li> <li>Routine consideration of proportionate scrutiny arrangements for each constituent authority e.g. local performance report to Clackmannanshire Council Audit and Scrutiny Committee (ongoing).</li> <li>Interim Chief Officer and reviewed and reformed SMLT working arrangements. (June 25)</li> <li>Ensure use of revised directions policy and implement performance monitoring (from March 2024 use - Feb 25 monitoring via FAP Committee)</li> <li>Prepare Annual Governance Statement and present to FAP then Monitor Governance Action Plan (June 2025 and ongoing)</li> <li>Staff communications issued re dispute process including assurance this should not impact day to day operations or focus on delivery plan (June 25 ongoing)</li> <li>Work on ongoing to find solution to lack of functional, effective commissioning service in Clackmannanshire arm of HSCP. (Ongoing)</li> </ol>	Chief Officer / Constituent Authorities Chief Executives	Chief Officer / Constituent Authorities Chief Executives	Risk was retitled to Reflect current position re revised Integration Scheme, Dispute and ongoing related considerations.

HSC 003	<b>Delivery of Integrated Performance Framework</b>	<p><b>Risk</b> The risk that the Integrated Performance Framework does not adequately demonstrate progress against National Health and Wellbeing Outcomes and Strategic Priorities.</p> <p><b>Cause</b> Lack of accurate recording, poor recording and information systems and lack of access to and analysis of available information.</p> <p><b>Effect</b> Inability to adequately provide reporting and assurance on performance to IJB.</p>	Current (4)  Target (1)	Current (4)  Target (4)	Current (16) <b>High</b>  Target (4) <b>Low</b>	Transformation / Innovation	<b>Moderate</b> - accepting that a greater degree of risk is required to improve outcomes, transform services and ensure VFM.	<b>Open</b> - To allow innovation and initiation and planning for change.	<p>The Integrated Performance Framework is the basis that the IJB has oversight and scrutiny over performance of delegated integration functions.</p> <ol style="list-style-type: none"> <li>1. Review and reform of Integrated Performance Framework (IPF) (June 24)</li> <li>2. Subject to IJB approval work with constituent authorities to implement IPF (from June 2024)</li> <li>3. 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. (July-Sept 25 and annually)</li> <li>4. Develop workplan for new FAP Committee to discharge terms of reference including performance remit (Oct 24)</li> <li>5. Development of performance measures and reporting at locality level. (in place subject to further development)</li> <li>6. Agree Improvement Plan with NHS FV to address data issues including SMR data and ensure appropriate planning around unscheduled care. (ongoing by March 26)</li> </ol>	Chief Officer	Chief Finance Officer and Head of Strategic Planning and Health Improvement	
HSC 004	<b>Delivery of Integrated Workforce Plan</b>	<p><b>Risk</b> The risk that workforce challenges are not adequately managed.</p> <p><b>Cause</b> Lack of robust workforce planning and failure to appropriately support the integrated workforce.</p> <p><b>Effect</b> Reduced recruitment and retention and failure to appropriately develop, train and performance manage the integrated workforce.</p>	Current (3)  Target (1)	Current (4)  Target (3)	Current (12) <b>Medium</b>  Target (3) <b>Low</b>	Workforce	<b>Cautious</b> - to support staff to innovate and improve, balancing risk and benefits.	No tolerance set.	<p>The work with the constituent authorities to effectively manage and support the integrated workforce.</p> <ol style="list-style-type: none"> <li>1. Ensure inclusive approach to staff engagement at all levels. (Ongoing)</li> <li>2. Develop multi-disciplinary care pathways and teams. (ongoing)</li> <li>3. Workforce engagement on transformation programme including practice elements such as SDS. (from March 24)</li> <li>4. Ensure consistent use of iMatter staff survey platform across the constituent authorities, and the development of reporting infrastructure against HSCP within that system. (from June 25 for new iMatter survey)</li> <li>5. Staff Development and Training Programmes including Mandatory Training. (ongoing but requires commitment and support from constituent authorities)</li> <li>6. Positively manage relationships with Staff Side/Trade Union representatives. (ongoing)</li> <li>7. Continue to prioritise and support workforce wellbeing. (Ongoing)</li> <li>8. Monitor implementation of the approved workforce plan. (May 25 and Annually)</li> </ol>	Chief Officer	Heads of Service (x3)	
HSC 005	<b>Patient / Service User Experience</b>	<p><b>Risk</b> The risk that patients/service users have a poor experience of care and/or their personal outcomes are not met.</p> <p><b>Cause</b> Lack of co-design of services taking account of lived experience, lack of assurance on clinical and care governance standards.</p> <p><b>Effect</b> Patients/service users personal outcomes are not met. Failure may create additional avoidable demand.</p>	Current (4)  Target (2)	Current (4)  Target (3)	Current (16) <b>High</b>  Target (6) <b>Low</b>	Patient/Service User Harm	<b>Averse</b> - No tolerance but recognition we will have to accept risk that have been reduced as low as possible	No tolerance set.	<p>The work to continually seek patient and service user feedback to inform and improve service delivery.</p> <ol style="list-style-type: none"> <li>1. Participation and Engagement Strategy. (In place but requires review - Sept 25)</li> <li>2. Service user participation in IJB, SPG and Locality Planning Network (In place)</li> <li>3. Use of Care Opinion (In place)</li> <li>4. Complaints processes and review of significant events to facilitate learning (in place)</li> <li>5. Carers Planning Group including Carers representatives (in place)</li> <li>6. Process and training for EQIAs (In place)</li> <li>7. Self Directed Support Steering Group including representation from peer support organisations and co-chaired by person with lived experience (in place).</li> <li>8. Self Directed Support Lived Experience Panel (in place and being developed based on feedback from supported people and their carers).</li> <li>9. IJB agreed Self Directed Support Policy and associated Directions. (June 2024)</li> <li>10. Jointly developed new Transitions Policy developed in partnership with people with lived experience (in place).</li> <li>11. Ensure detailed improvement action plans are put in place and monitored where inspections highlight required improvements.</li> </ol>	Chief Officer	Heads of Service (x3)	

HSC 006	<b>Information Management and Governance</b>	<p><b>Risk</b> The risk that Information Management and Governance issues are not adequately managed to support delivery of strategic commissioning plan and information sharing processes, practice and governance is inadequate to support efficient service delivery.</p> <p><b>Cause</b> Lack of or non adherence to adequate policies, data sharing arrangements and management information systems.</p> <p><b>Effect</b> Inefficient service delivery, reputational harm and sub optimal performance management.</p>	Current (3)  Target (3)	Current (4)  Target (3)	Current (12) Medium  Target (9) Medium	Compliance	<b>Averse</b> - We are not prepared to take any risk when discussing out regulatory compliance	<b>Cautious</b> - We are prepared to take informed risks provided that benefit outweighs the negative outcome.	<p>The work with the constituent authorities to ensure robust and legal information management and governance arrangements are in place to support integrated service delivery.</p> <p>1. Ensure Data Sharing agreements between constituent authorities are in place, signed and periodically reviewed. 2. Annual Information Governance Assurance Report (Oct 24 and Annually) 3. Awareness raising of respective organisational policies (ongoing) 4. Mandatory training (ongoing monitored through appraisal processes)</p>	Chief Officer	Chair of Data Sharing Partnership / Heads of Service / Standards Officer	
HSC 007	<b>Harm to Vulnerable People, Public Protection and Clinical &amp; Professional Care Governance</b>	<p><b>Risk</b> The risk that clinical and professional care governance arrangements are inconsistently applied and there resultant harm to service users or the general public.</p> <p><b>Cause</b> Potential for a lack of effective systems of clinical and care governance including assurance.</p> <p><b>Effect</b> Harm to vulnerable people or general public.</p>	Current (4)  Target (1)	Current (4)  Target (4)	Current (16) High  Target (4) Low	Patient/Service User Harm	<b>Averse</b> - No tolerance but recognition we will have to accept risk that have been reduced as low as possible	No tolerance set.	<p>Through the operational delivery construct of the HSCP we seek to deliver safe and effective services to the partnership population and incorporate clinical and care governance and professional assurance into this as part of the IJBs assurance frameworks.</p> <p>1. Integration Joint Board has assurance that services operate and are delivered in a consistent and safe way (Annually) 2. Clinical and Care Governance Assurance arrangements (Nov 24) 3. Whole system working to minimise delay to discharge arrangements (ongoing) 4. Establishment of Quarterly Clinical and Care Governance Meetings (in place) 5. Further develop linkage with Performance Frameworks (in development) 6. Annual Clinical and Care Governance Assurance Report to IJB (Annually) 7. Consider Clinical and Care Governance arrangements for co-ordinated services and maintain stability of existing arrangements until this action complete (October 24) 8. Develop and present improvement plan for Joint Inspection of MH Services (Jan 25)</p>	Chief Officer / Chief Social Work Officers / NHS Forth Valley Medical Director	Heads of Service (x3)	
HSC 008	<b>Sustainability of adult placement in external care home and care at home sectors</b>	<p><b>Risk</b> The risk that providers are not sustainable or oversight arrangements are inadequate.</p> <p><b>Cause</b> Lack of effective overview or provider failure for financial or other reasons e.g. lack of workforce or inability to control costs.</p> <p><b>Effect</b> Increased likelihood of statutory sector requiring to step in as 'provider of last resort' / unforeseen increased costs</p>	Current (4)  Target (2)	Current (4)  Target (2)	Current (16) High  Target (4) Low	Financial	<b>Cautious</b> We wish to achieve sustainability by spending well, making the most of our resources and achieving statutory financial targets.	<b>Moderate</b> we are prepared to accept variances for a limited period whilst mitigation/recovery plans are implemented.	<p>The work with provider market to secure safe effective and sustainable service delivery within resources available and achieve best value.</p> <p>1. Provider forums are in place as is a commissioning and monitoring framework. (in place) 2. There is clear regulation and inspection. (in place) 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. Business continuity planning arrangements. (In place – subject to ongoing review) 7. Preparation of Briefings for Senior Officers (including Chief Executives) and IJB Chair and Vice Chair on emergent provider issues. ( as required) 8. Caseload review. (ongoing) 9. Care Home Assurance Tool. (ongoing) 10. Ensure consistent and effective approach to appropriately manage Large Scale Investigations. (LSI's) (Ongoing) 11. Engagement in national round table discussions via CO/CFO networks to highlight sector risks and attempt to align responses with other HSCPs.</p>	Chief Officer	Heads of Services / Strategic Commissioning Manager / Chief Finance Officer /Adult Support and Protection Co-ord	

HSC 009	<b>Primary Care Sustainability</b>	<p><b>Risk</b> The risk that critical quality and sustainability issues will be experienced in the delivery of Primary Care Services including General Medical Services (PCIP)</p> <p><b>Cause</b> Insufficient funding, lack of identification and implementation of sustainable service options, aging workforce and demand for services outstripping supply.</p> <p><b>Effect</b> GP Practices requiring to be , loss of service provision and resultant impacts on rest of Health and Social Care system.</p>	Current (3)  Target (3)	Current (5)  Target (3)	Current (15) Medium  Target (9) Medium	Transformation / Innovation	<b>Moderate</b> - accepting that a greater degree of risk is required to improve outcomes, transform services and ensure VFM.	<b>Open</b> - To allow innovation and planning for change.	<p>The work with NHS FV and Falkirk IJB to seek to ensure a viable and sustainable Primary Care sector as part of effective service delivery.</p> <ol style="list-style-type: none"> <li>1. Premises investment priorities identified (in place but subject to review)</li> <li>2. Primary Care Improvement Plan (PCIP) being delivered proactively and sustainability options being appraised.</li> <li>3. Support for practices to become training practices (delivered in conjunction with NES)</li> <li>4. Primary Care Improvement Plan tripartite oversight and review to ensure sustainable (ongoing)</li> <li>5. GP IT Programme Board established</li> <li>6. Pan FV Local Sustainability Group in place to advise on sustainability matters (in place)</li> <li>7. Expansion of community pharmacy services.</li> <li>8. Alignment with quality clusters and leads to ensure GP practices and MDTs are informed of and involved in quality improvement and assurance.</li> <li>9. Establishment and monitoring of GP Sustainability data and workload to inform the development of future controls and actions.</li> </ol>	IJB Chief Officers	Head of Primary Care / Associate Medical Director / GP Clinical Leads / Chief Finance Officers	Further review required to fully align with NHS FV and Falkirk IJB articulation and assessment of PC risk.
HSC 010	<b>Potential Industrial Action</b>	<p><b>Risk</b> The risk that industrial action materially affects service delivery.</p> <p><b>Cause</b> If one of more sectors of H&amp;SC workforce chooses to take industrial action.</p> <p><b>Effect</b> Disruption to service delivery, requirement to invoke business continuity plans and potential for unforeseen cost implications.</p>	Current (3)  Target (2)	Current (3)  Target (3)	Current (9) Medium  Target (6) Low	Workforce	<b>Cautious</b> - to support staff to innovate and improve, balancing risk and benefits.	No tolerance set.	<p>The work with constituent authorities and national networks to understand and mitigate the risk of industrial action and potential impact on service delivery.</p> <ol style="list-style-type: none"> <li>1. Review and ensure business continuity arrangements are up to date and robust (Ongoing)</li> <li>2. Work closely with constituent authorities to fully understand likely impacts. (Ongoing)</li> <li>3. Ensure ongoing constructive working relationships with staff side / unions are maintained. (Ongoing)</li> <li>4. Participate in regional pan FV and local resilience arrangements. (ongoing)</li> <li>5. Monitor outstanding pay negotiations and likeness of resolution without resort to industrial action.</li> </ol>	Chief Officer	SMLT	Reassessed as Medium risk given outstanding Local Government pay negotiations.
HSC 011	<b>Capacity to Deliver Safe and Effective Integration Functions to Support Whole System Performance and Safety</b>	<p><b>Risk</b> The risk that demand for services outstrips the ability to deliver due to workforce availability, provider capacity and/or adequacy of resources.</p> <p><b>Cause</b> Demand outstripping supply and/or transformation programmes being inadequate.</p> <p><b>Effect</b> Inability to meet demand, requirement to prioritise and potential not to meet statutory obligations. One or more parts of H&amp;SC system being overwhelmed and loss of public confidence.</p>	Current (5)  Target (2)	Current (4)  Target (3)	Current (20) High  Target (6) Low	Public Confidence	<b>Cautious</b> - for risks impacting on public confidence which flow from informed decision making.	<b>Moderate</b> - we are prepared to operate within a moderate tolerance range for Public Confidence for a defined period while mitigation plans are developed.	<p>The work to continually assess the demand and capacity requirements to deliver safe effective service delivery.</p> <ol style="list-style-type: none"> <li>1. Ensure Strategic Planning is Based on robust Strategic Needs Assessment (ongoing)</li> <li>2. Manage positive arrangements with providers through providers forum (Ongoing)</li> <li>3. Ensure robust data informed annual IJB Business Case is produced. (Jan 25/annually)</li> <li>4. Use of national networks to articulate and inform future resource requirements (Ongoing)</li> <li>5. Local capacity and activity monitoring (Weekly)</li> <li>6. Development of capacity and activity dashboard (April 25)</li> <li>7. Ensure focus on transformation programme to maximise use of existing resources (Ongoing)</li> <li>8. Work with constituent authorities to promote partnership as a good place to work. (Ongoing)</li> </ol>	Chief Officer	Heads of Service (x3) / Chief Finance Officer	

HSC 012	Transformation and Sustainable Service Delivery	<p><b>Risk</b> The risk that the programme of transformational change detailed in the 2025/26 to 2027/28 Delivery Plan is inadequate to balance financial and service sustainability.</p> <p><b>Cause</b> Transformation not delivering estimated financial impact and/or not being deliverable at pace or scale envisaged</p> <p><b>Effect</b> Overspend or lack of demonstrable progress in Strategic Commissioning Plan priorities and/or National Health and Wellbeing outcomes.</p>	Current (4)	Current (5)	Current (20) <b>High</b>	Transformation / Innovation	Moderate - accepting that a greater degree of risk is required to improve outcomes, transform services and ensure VFM.	Open - To allow innovation and planning for change.	<p>The Delivery Plan is the agreed single plan for transformation and modernisation of delivery of delegated integration functions. The plan will be a rolling 3 year plan aligned to SCP priorities and the 9 National Health and Wellbeing Outcomes.</p> <p>1. Development and Approval of Revised Delivery Plan (May 25) 2. Establishment of Project Management capacity (est Aug 25) 3. Establishment of Monitoring Arrangements building on reporting mechanisms developed in 24/25 (August 25) 4. Development of detailed planning and proposals for 26/27 IJB Business Case and update to rolling 3 year Delivery Plan.(sept 25 to March 26) 5. Review of Strategic Commissioning Plan per legislative requirements (Sept 25&gt; March 26)</p>	Chief Officer / Chief Finance Officer	Heads of Service (x3)/ SMLT	Previous discussions have highlighted that whilst there is crossover with financial sustainability risk the transformation risk has not been adequately reflected in SRR. This risk closely aligns with HSC001 however focuses on the risk that around transformation.
HSC013	Mental Health Officer (MHO) Workforce & Guardianship Orders	<p><b>Risk</b> The MHO workforce is a small group of highly specialist staff within each local authority. The size of these teams makes them vulnerable to short staffing and business interruption, which in turn compromises the ability of the IJB to discharge statutory functions, particularly the allocation of Guardianship Orders.</p> <p><b>Cause</b> The size and demand on this workforce results in a demand:capacity disconnect.</p> <p><b>Effect</b> Inability to demonstrate allocation of Guardianship Orders, Risk to statutory roles, e.g. maintaining an MHO Duty system.</p>	Current (5)	Current (5)	Current (25) <b>High</b>	Service Delivery/ Business Interruption	Averse -	Cautious - We are prepared to take informed risks provided that benefit outweighs the negative outcome.	<p>Recruitment is underway to ensure that the teams are supported to maximise the existing recurring resource. In addition:</p> <p>1. Ensure risk is managed in alignment with HSC003 2. Establish a data set to understand demand and capacity by May 2026 3. Work with national partners to understand emerging trends and use this to support workforce planning 4. Review the workflow and undertake assessment to identify means of releasing capacity. 5. Work with CSWO to ensure robust, professionally led succession planning, alignment with training plans within each local authority, and links with national projects.</p>	Chief Officer	Head of Mental Health & Learning Disability Services	Risk added - November 2025.

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.

NOTE: where control measures updated this is highlighted in *italics*.

## NHS Forth Valley Risk Matrix

In using the matrix you should consider the potential areas of impact that your risk presents to NHS Forth Valley and score appropriately. The final assessment of the impact of your risk is not an aggregation of your scores - it is based on your highest score in any one of the following categories. They are provided as a guide and professional assessment will determine the most applicable impact score. The highest scoring impact will determine the risk category and target score for the risk.

**Impact – What could happen if the risk occurred?** Assess for each category and use the highest score identified.

**The impact scale is from an organisational level perspective.** It reflects the key areas that if impacted could prevent the organisation achieving its priorities and objectives. The scale is a guide and cannot cover every type of impact therefore judgement is required.

**\*\*Dynamic decision making/ dynamic risk assessment should still occur in your operational day-to-day management of the service\*\***

Category	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
<b>Patient Harm</b> <i>(through delivery or omission of care, risk results in unintended/unexpected but avoidable physical or psychological harm to a patient)</i>	Adverse event  Negligible effect on patient	Minor episode of harm not requiring intervention	Harm which requires intervention but doesn't trigger organisational Duty of Candour response	Harm, such as sensory, motor, or intellectual impairment which has lasted or is likely to last at least 28 days OR  Pain or psychological harm which lasts, or is likely to last, at least 28 days  And triggers organisational Duty of Candour	Severe harm such as death or permanent disability, either physical or psychological (e.g., removal of wrong limb/organ or brain damage)  And triggers organisational Duty of Candour  No available consultant
<b>Patient Experience</b> <i>(risk could impact on how a patient, their family or carer feels during the process of receiving care)</i>	Reduced quality patient experience  Locally resolved verbal complaint or observations	Unsatisfactory patient experience directly related to care provision – readily resolvable  Justified written complaint peripheral to clinical care	Unsatisfactory patient experience/clinical outcome with potential for short term effects  Justified written complaint involving lack of appropriate care  Themes emerging – readily or locally resolvable	Unsatisfactory patient experience /clinical outcome with potential for long-term effects  Multiple justified complaints  Serious problem themes emerging, informed from more than one source	Unsatisfactory patient experience/clinical outcome, continued ongoing long-term effects  Complex Justified complaints  Confirmed serious problem themes from more than one source  Involvement of Scottish Public Services Ombudsman

<b>Transformation/Innovation</b>  <i>(risk could impact on ability to successfully adapt and transform)</i>	Barely noticeable reduction in scope/quality/ schedule  Negligible impact on achievement of intended benefits	Minor reduction in scope/quality/ schedule  Minor impact on achievement of intended benefits	Reduction in scope/quality/project/programme objectives or schedule  Some intended benefits will not be achieved	Significant project/programme over-run  Significant proportion of intended benefits will not be achieved – working with QI but having to pause this effort due to lack of capacity	Failure to deliver project/programme  Failure to achieve sustainable transformation  Unable to measure but pausing data collection due to lack of capacity – unable to recruit financially, or sickness. Reactive rather than proactive planning. Unable to provide weekend service – to continue at this pace it is unsustainable and unable to achieve the objectives.
<b>Health and Safety</b>  <i>(risk could impact on staff/public, or a patient out with delivery of care)</i>	Adverse event leading to minor injury not requiring first aid  No staff absence	Minor injury or illness, first aid treatment required  Up to 3 days staff absence	Agency reportable, e.g., Police (violent and aggressive acts)  Significant injury requiring medical treatment and/or counselling  RIDDOR over 7- day absence due to injury/dangerous occurrences – increase in violence and aggression due to lack of workforce	Major injuries/long term incapacity /disability (e.g., loss of limb), requiring, medical treatment and/or counselling  RIDDOR over 7- day absence due to major injury/dangerous occurrences.	Incident leading to death(s) or major permanent incapacity  RIDDOR Reportable/FAI
<b>Service Delivery/ Business Interruption</b>  <i>(risk could impact on ability to efficiently and effectively deliver services)</i>	Interruption in a service which does not impact on the delivery of patient care or the ability to continue to provide service	Short term disruption to service with minor impact on patient care/ quality of service provision	Some disruption in service with unacceptable impact on patient care  Resources stretched  Prolonged pressure on service provision	Sustained loss of service which has serious impact on delivery of patient care  Contingency Plans invoked  Temporary service closure	Permanent loss of core service/ facility  Major Contingency Plans invoked  Disruption to facility leading to significant “knock on” effect  Inability to function as an organisation

<b>Workforce</b> <i>(risk could impact on staff wellbeing, staffing levels and competency)</i>	Negligible impact on staff wellbeing  Temporary reduction in staffing levels/skills mix  Individual training/competency issues	Minor impact on wellbeing, requires peer support  Short-term reduction in staffing levels/skills mix (<6 months)  Small number of staff unable to carry out training or maintain competency levels  Increased usage of supplementary staff	Moderate impact on staff wellbeing, requires line manager support  Medium-term reduction in staffing levels/skills mix (>6 months)  Moderate number of staff unable to carry out training or maintain competency levels  Reliance on supplementary staff in some areas	Serious impact on staff wellbeing, requires referral to support services.  Long-term reduction in staffing levels/skills mix (>9 months)  Significant number of staff unable to carry out training or maintain competency levels  Reliance on supplementary staff in multiple areas.	Critical impact on staff wellbeing, co-ordinated response and referral to support services  Loss of key/high volumes of staff  Critical training and competency issues throughout the organisation  Unsustainable reliance on supplementary staff across organisation.
<b>Financial</b> <i>(risk could impact through unplanned cost/reduced income/loss/non-achievement of intended benefit of investment)</i>	Some adverse financial impact but not sufficient to affect the ability of the service /department to operate within its annual budget	Adverse financial impact affecting the ability of <b>one or more</b> services/ departments to operate within their annual budget	Significant adverse financial impact affecting the ability of one or more directorates to operate within their annual budget	Significant adverse financial impact affecting the ability of the organisation to achieve its annual financial control total	Significant aggregated financial impact affecting the long-term financial sustainability of the organisation
<b>Inspection/Audit</b> <i>(risk could impact on outcome during/after inspection by internal/external scrutiny bodies)</i>	Small number of recommendations which focus on minor quality improvement issues	Recommendations made which can be addressed by low level of management action	Challenging recommendations that can be addressed with appropriate action plan.	Mandatory improvement required. Low rating. Critical report. High level action plan is necessary	Threat of prosecution. Very low rating. Severely critical report. Board level action plan required
<b>Public Confidence</b> <i>(risk could impact on public/stakeholder trust and confidence, and affect organisation's reputation)</i>	Some discussion but no impact on public confidence  No formal complaints or concerns	Some concerns from individuals, local community groups and media – short-term  Some impact on public confidence  Minor impact public perception and confidence in the organisation	Ongoing concerns raised by individuals, local media, local communities, and their representatives - long-term  Significant effect on public perception of the organisation	Concerns raised by national organisations/scrutiny bodies and short-term national media coverage  Public confidence in the organisation undermined  Use of services affected	Prolonged national/international concerns and media coverage  Issues raised in parliament  Legal Action/ /Public Enquiry/FAI/Formal Investigations  Critical impact on staff, public and stakeholder confidence in the organisation



<b>Health Inequalities</b> <i>(risk could increase health inequalities, particularly those that are healthcare generated)</i>	Negligible impact on health inequalities such as morbidity/mortality and healthy life expectancy  No impact on services	Minor impact on health inequalities such as morbidity/mortality and healthy life expectancy  Some services experience increased pressures	Moderate impact on health inequalities such as morbidity/mortality and healthy life expectancy  Causes short term increased pressures across the system	Serious exacerbation of health inequalities such as morbidity/mortality and healthy life expectancy  Causes long term pressures in system/affects ongoing viability of a service	Critical exacerbation of health inequalities such as morbidity/mortality and healthy life expectancy  Affects whole system stability/sustainability
<b>Environmental Sustainability / Climate Change</b> <i>(risk could impact on environment, ability to comply with legislation/targets or environmentally sustainable care)</i>	Limited damage to environment, to a minimal area of low significance  Negligible impact on ability to comply with climate legislation/targets or ability to reach net zero  Negligible impact on ability to provide environmentally sustainable care	Minor effects on biological or physical environment  Minor impact on ability to comply with climate legislation/targets or ability to reach net zero  Minor impact on ability to provide environmentally sustainable care	Moderate short-term effects but not affecting eco-system  Moderate impact on ability to comply with climate legislation/targets or ability to reach net zero  Moderate impact on ability to provide environmentally sustainable care	Serious medium term environmental effects  Serious impact on ability to comply with climate legislation/targets or ability to reach net zero  Serious impact on ability to provide environmentally sustainable care	Very serious long term environmental impairment of eco-system  Critical non-compliance with climate legislation/targets or ability to reach net zero  Critical impact on ability to provide environmentally sustainable care

**Likelihood – What is the likelihood of the risk occurring? Assess using the criteria below.**

Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
It is assessed that the risk is <u>very unlikely</u> to ever happen.	It is assessed that the risk is <u>not likely</u> to happen	It is assessed that the risk <u>may</u> happen	It is assessed that the risk is <u>likely</u> to happen	It is assessed that the risk is <u>very likely</u> to happen
<10% chance that the risk may occur	10-20% chance that the risk may occur	21-50% chance that the risk may occur	51-75% chance that the risk may occur	>75% chance that the risk may occur
Will only occur in exceptional circumstances	Unlikely to occur but potential exists	Reasonable chance of occurring - has happened before on occasions	Likely to occur - strong possibility	The event will occur in most circumstances – Gone out to recruitment twice and unable to recruit – consultants and AHPs

**Risk Assessment Table** – Multiply likelihood score by impact score to determine the risk rating (score).

LIKELIHOOD	5	Low 5	Medium 10	High 15	Very High 20	Very High 25
	4	Low 4	Medium 8	High 12	High 16	Very High 20
	3	Low 3	Low 6	Medium 9	High 12	High 15
	2	Low 2	Low 4	Low 6	Medium 8	Medium 10
	1	Low 1	Low 2	Low 3	Low 4	Low 5
		1	2	3	4	5
IMPACT						