

Annual Audit Report

West Dunbartonshire Integration
Joint Board – Year ended 31
March 2023

November 2023



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Our reports are prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 18 May 2022 through which the Accounts Commission has appointed us as external auditor of West Dunbartonshire Integration Joint Board (the IJB) for financial years 2022/23 to 2026/27. We undertake our audit in accordance with Part VII of the Local Government (Scotland) Act 1973, as amended; and our responsibilities as set out within Audit Scotland's Code of Audit Practice 2021.

Reports and letters prepared by appointed auditors and addressed to the IJB are prepared for the sole use of the IJB and made available to Audit Scotland and the Accounts Commission, the Controller of Audit. We take no responsibility to any member or officer in their individual capacity or to any other third party.

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14 November 2023

Dear Committee Members and Controller of Audit,

Annual Audit Report – Year ended 31 March 2023

We are pleased to present our Annual Audit Report for the year ended 31 March 2023. The purpose of this document is to summarise our audit conclusions and findings from our considerations of the wider scope audit specified in the Code of Audit Practice 2021 namely, financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 16 May 2023 to the Audit and Performance Committee. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of the IJB's team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07816354994.

Yours faithfully



Tom Reid (Audit Director)

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We are registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: 839 8356 73

01

Section 01:

Executive summary

1. Executive summary

Audit conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2022/23 is set out in the Audit Scotland's Code of Audit Practice 2021. Our responsibilities and powers are derived from Part VII of the Local Government (Scotland) Act 1973 and, as outlined in our Annual Audit Plan, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls.

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements. Section 7 outlines our work on the IJB's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2023. At the time of preparing this report, some matters remain outstanding as outlined in section 2.

Conclusions from our audit testing and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2023. Based on our audit work completed to date we have the following conclusions.



Audit opinion

We expect to issue an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



Matters on which we report by exception

We are required by to report to you if, during the course of our audit, we have found that adequate accounting records have not been kept; the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit. We have nothing to report in respect of these matters.



Governance Statement

We are required to report on whether the information given in the Annual Governance Statement is materially inconsistent with the financial statements; has not been properly prepared in accordance with the Delivering Good Governance in Local Government Framework 2016; or is materially misstated. We have no matters to report in respect of the Annual Governance Statement.

1. Executive summary (continued)

Conclusions from our audit testing and audit opinion (continued)



Other information

We are required to report on whether the other information (comprising of Management's Commentary, Statement of Responsibilities and the unaudited parts of the Remuneration Report), is materially inconsistent with the financial statements; has not been properly prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; or is materially misstated.

No inconsistencies have been identified and we have issued an unmodified opinion in this respect.

1. Executive summary (continued)

Best Value and Wider Scope conclusions

As auditors appointed by the Accounts Commission, our wider scope responsibilities are set out in the Audit Scotland's Code of Audit Practice 2021 and sits alongside Best Value requirements detailed the Local Government (Scotland) Act 1973. The Code requirements broaden the scope of the 2022/23 audit and allows us to use a risk-based approach to report on our consideration of the IJB's performance of Best Value and community planning duties and make recommendations for improvement and, where appropriate, conclude on the IJB's performance.

The Code's wider scope framework is categorised into four areas:

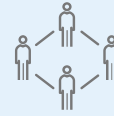
financial management;

financial sustainability;

vision, leadership and governance; and

use of resources to improve outcomes.

It remains the responsibility of the IJB to ensure that it makes proper financial stewardship of public funds, complies with relevant legislation, and establishes effective governance of their activities. The IJB is also responsible for ensuring that it establishes arrangements to secure continuous improvement in performance and, in making those arrangements, ensure resources are being used to improve strategic outcomes and demonstrate the economy, efficiency, and effectiveness throughout the use of its resources. These arrangements should be proportionate to the size and type of the IJB, appropriate to the nature of the IJB and the services and functions that it has been created to deliver.



Wider Scope

We anticipate having no risks in arrangements to report in relation to the financial management; vision, leadership and governance; and use of resources to improve outcomes arrangements that the IJB has in place. We have identified a wider scope risk for the IJB's financial sustainability.

Further detail on our Wider Scope work is provided in section 7 of this report including any significant risks identified.



Best Value

We anticipate having no risks in arrangements to report in relation to the arrangements that the IJB has in place to secure economy, efficiency and effectiveness in its use of resources.

Further detail on our Best Value work is provided in section 8 of this report including any significant risks identified.

02

Section 02:

Status of the audit

2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Risk of material adjustment or significant change	Description of the outstanding matters	
Audit quality control and completion procedures	Low	Our audit work is undergoing final stages of review by the Engagement Lead and further quality and compliance checks. In addition, there are residual procedures to complete, including updating post balance sheet event considerations to the point of issuing the opinion, obtaining final management representations and agreeing adjustments to the final set of accounts.	High - Likely to result in material adjustment or significant change to disclosures within the financial statements.
Financial statements, Annual Governance Statement and letter of representation	Low	We will complete our final review of the financial statements upon receipt of the signed version of the accounts and letter of representation.	Medium - Potential to result in material adjustment or significant change to disclosures within the financial statements.
			Low - Not considered likely to result in material adjustment or change to disclosures within the financial statements.

03

Section 03: **Audit approach**

3. Audit approach

Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in May 2023. We have not made any changes to our audit approach since we presented our Annual Audit Plan.

Materiality

Our provisional materiality at the planning stage of the audit was set at £4.638m using a benchmark of 2% of gross expenditure at surplus/deficit level. Our final assessment of materiality, based on the final financial statements and qualitative factors, is £5.107m using the same benchmark.

04

Section 04: **Significant findings**

4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 14 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management;
- any significant difficulties we experienced during the audit.

Significant risks

Management override of controls	Description of the risk
	<p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>
	<p>How we addressed this risk</p> <p>We addressed this risk by:</p> <ul style="list-style-type: none"> • Reviewing the key areas within the financial statements where management has used judgement and estimation techniques and considering whether there is evidence of unfair bias; • Examining accounting policies; • Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements; and • Considering and testing any significant transactions outside the normal course of business or otherwise unusual.
	<p>Audit conclusion</p> <p>Our work has provided the assurance we sought in each of these areas and has not highlighted any material issues to bring to your attention.</p>

4. Significant findings (continued)

Qualitative aspects of the IJB's accounting practices

We have reviewed the IJB's accounting policies and disclosures and concluded they comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets, published in November 2022, appropriately tailored to the IJB's circumstances.

The unaudited annual report and accounts were received from the IJB on 21 June 2023 and were of a good quality.

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- **First year audit procedures.** Auditing standards require us to carry out additional specific procedures for the first year of an audit. These include: seeking professional clearance confirmations from the predecessor auditor, reviewing the predecessor auditor's working papers and reports and specific procedures over brought forward balances. As part of this work, we discussed controls in place for key information systems with management.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

Due to the following reasons, the audit was not completed in time for the IJB to meet the submission date of 30 September 2023, specified in the Local Authority Accounts (Scotland) Regulations 2014, for approval of its audited annual accounts:

- We were required to undertake additional work in the first year of the audit to gain assurances over the opening balances in the financial statements, understand the landscape within which the IJB operates and the connections between the IJB and

West Dunbartonshire Council.

- We needed to address the implementation of International Standard on Auditing (ISA) 315. This required the audit team to spend additional time in the planning phase of the audit.
- We faced difficulties, which have now been resolved, in recruiting auditors with the relevant skills and experience. This put pressure on our team and on delivery of the audit.

Mazars has discussed the implications of this with Audit Scotland who confirmed there are no consequences for the IJB.

4. Significant findings (continued)

Wider responsibilities

We are required to notify the Controller of Audit when circumstances indicate that a statutory report may be required.

- Section 102(1) of the 1973 Act allows us to prepare a report to the Commission about the IJB's accounts; matters that have arisen during the audit that should be brought to the attention of the public; or the performance of the IJB in its duties relating to Best Value and community planning.
- Section 102(3) of the 1973 Act allows us to make a special report to the Commission if an item of account is contrary to law; there has been a failure on someone's part to bring into account a sum which ought to have been brought into account; a loss has been incurred or deficiency caused by the negligence or misconduct of a person, or by the failure of a body to carry out a duty imposed on them by any enactment; or a sum which ought to have been credited or debited to one account of a body has been credited or debited to another account and the body has not taken, or is not taking, steps to remedy the matter.
- Section 97A of the 1973 Act allows us to undertake or promote comparative and other studies to make and publish recommendations for the securing by local government bodies of Best Value, improving economy, efficiency and effectiveness in the provision of services by local government bodies and improving the financial or other management of local government bodies.

We confirm that a statutory report is not required.

05

Section 05:

Internal control recommendations

5. Internal control recommendations

As part of our audit of the financial statements, we obtained an understanding of internal controls sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to the Audit and Performance Committee any significant deficiencies identified during the course of our work.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	0
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	1
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	0

5. Internal control recommendations (continued)

Significant deficiencies in internal control – Level 2

Description of deficiency

Related parties' transactions – Register of interest

Officers could not provide annual declaration of interest forms for the IJB's Board members. All senior officers who attend Board meetings, did however, complete declaration of interest forms.

Potential effects

The IJB may not be fully aware of Board member's interests leading to incorrect or incomplete disclosure of related party transactions in the annual accounts.

Recommendation

The IJB should establish procedures to ensure that all IJB Board members complete and submit annual declarations of interest on a timely basis.

Management response

HSCP Senior Managers who sit on the IJB as non-voting members completed the annual Register of Interest declaration. However the voting members only completed Register of Interest declaration for their partner bodies (WDC and NHSGGC).

The IJB's Chief Finance Officer will work with the Standard's Officer to ensure a robust process is put in place for completeness of returns and publication on the HSCP Website.

06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £153k.

Unadjusted misstatements

None identified

Adjusted misstatements

None identified

6. Summary of misstatements (continued)

Disclosure amendments

We identified the following adjustments during our audit that have been corrected by management:

- **Annual Governance Statement:-** Amendments made to ensure compliance with the Delivering Good Governance in Local Government Framework 2016:
 - Updating details of the main features of the Health and Social Care Partnership Board's governance framework and system of internal control to reflect the arrangements in place in 2022/23.
 - Including reference to counter fraud and anti-corruption arrangements being in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption.
- **Provisions:-** The unaudited accounts included a provision of £289k in the balance sheet for unrecovered charges for specific social care delegated services. We recommended officers amend the short term debtors balance to show it net of the bad debt provision. Officers decided not to make this adjustment on the basis that by presenting the balance as a provision the IJB is recognising the uncertainty associated with it and improving visibility to the reader of the accounts. The IJB is indemnifying the council, as legal owners of the debt, and it has uncertainty about the recoverability of the debt. We have accepted the IJB's accounting treatment because the amount disclosed is below performance materiality and there is no impact on total net assets recorded in the balance sheet. However, we will revisit the accounting treatment with officers as part of the 2023/24 audit.

There were also adjustments to the annual report and accounts for other minor disclosure, consistency or presentational matters.

07

Section 07: **Wider scope**

7. Commentary on Wider Scope

Overall summary



7. Commentary on Wider Scope

Wider scope summary

As auditors appointed by the Accounts Commission, our wider scope responsibilities are set out in the Audit Scotland's Code of Audit Practice 2021 and sits alongside Best Value requirements detailed the Local Government (Scotland) Act 1973. The Code requirements broaden the scope of the 2022/23 audit and allows us to use a risk-based approach to report on our consideration of the IJB's performance of Best Value and community planning duties and make recommendations for improvement and, where appropriate, conclude on the IJB's performance.

The Code's wider scope framework is categorised into four areas:

- financial management;
- financial sustainability;
- vision, leadership and governance; and
- use of resources to improve outcomes.

Overall summary by reporting criteria

From the satisfactory conclusion of our audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Identified risks?	Actual risks identified?	Other recommendations made?
 Financial management	25	No	No	No
 Financial sustainability	27	Yes	Yes	Yes – see recommendation 1 on page 31
 Vision, leadership and governance	33	No	No	No
 Use of resources to improve outcomes	37	No	No	No

7. Commentary on Wider Scope

Financial management

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



7. Financial management (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Financial management culture	<p>The IJB does not have any assets and does not directly incur expenditure or employ staff, other than the Chief Officer and Chief Financial Officer. The IJB's funding and expenditure is incurred by its partner bodies, West Dunbartonshire Council and NHS Greater Glasgow and Clyde, and processed in their accounting records.</p> <p>The IJB's finance team use NHS and council financial systems to identify and properly record the IJB's income and expenditure. The IJB places reliance on its partners' systems of internal controls.</p>	<p>The IJB has appropriate and effective financial management in place.</p> <p>The IJB has sufficient financial skills, capacity and capability.</p>	No significant risks identified.
Accountability	<p>Officers presented financial performance reports to the Board during 2022/23 to update members on the IJB's position against budget and the progress of savings programmes. The reports provide sufficient detail for Board members to effectively scrutinise the IJB's finances.</p> <p>The IJB recorded an overall deficit on the provision of services of £8.4m in 2022/23. After planned transfers to and from earmarked reserves, including returning £6.3m of unspent Covid-19 reserves to the Scottish Government, it had a net overspend of £0.271m. The IJB has funded the overspend from unearmarked reserves. This reduced unearmarked balances to £4.3m which is 2.2% of net expenditure and above the 2% level set in its reserves policy.</p>	<p>The IJB has appropriate budget monitoring and reporting arrangements in place. It achieved financial balance in year through use of its reserves. Its unearmarked reserves remain above the 2% level set in its reserves policy.</p>	No significant risks identified.

7. Financial management (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Arrangements to prevent and detect fraud, error and other irregularities, bribery and corruption	<p>The IJB does not have its own policies for fraud and corruption. It follows the policies of its partner bodies, including their arrangements for managing fraud and corruption.</p> <p>The IJB has a code of conduct for Board members, which is published on its website. This includes guidance on:</p> <ul style="list-style-type: none"> • general conduct • registration of interests • declaration of interests • lobbying. <p>The IJB also has financial regulations which are published on its website.</p>	<p>The IJB has appropriate arrangements for preventing and detecting breaches of standards, including any instances of corruption.</p>	<p>No significant risks identified.</p>

7. Commentary on Wider Scope

Financial sustainability

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



7. Financial sustainability

Significant risks

We have outlined below the risks of significant risks in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

	Significant Risk in Arrangements Identified	Work undertaken and the results of our work
1	<p>Financial sustainability</p> <p>The IJB's medium to long-term financial plan projects significant budget gaps in future years. In common with most public sector organisations, the IJB faces significant financial challenges, including inflation and pay awards exceeding funding allocations. In addition, the IJB faces several specific issues, including the requirement to fund current service overspending, the reduction in the formula allocation of NHS funding and on-going challenges in identifying and delivering savings which do not have adverse impacts on service delivery.</p> <p>The impact of these challenges means that the IJB's longer term financial sustainability remains at risk.</p>	<p>Work undertaken</p> <p>We reviewed the IJB's financial performance and updates to its financial planning throughout the year, including the implications for general reserves balances.</p> <p>We reviewed the IJB's achievement of planned recurring and non-recurring savings.</p> <p>Results of our work</p> <p>The IJB recorded an overall deficit on the provision of services of £8.4m in 2022/23. After planned transfers to and from earmarked reserves, including returning £6.3m of unspent Covid-19 reserves to the Scottish Government, it had a net overspend of £0.271m. The IJB has funded the overspend from unearmarked reserves. This reduced its unearmarked balance to £4.3m, which is 2.2% of its net expenditure and above the 2% level set in its reserves policy.</p> <p>Officers presented regular financial performance reports to the Board to update members on the IJB's position against budget and the progress of savings programmes. The IJB's 2022/23 budget included agreed efficiencies and management adjustments of £2.6m. The IJB achieved savings of £1.3m (50%). It funded covered the savings it did not achieve from other underspends or funding streams. £30k of unachieved savings was funded from its earmarked reserves.</p> <p>The IJB is facing a challenging financial position. It is forecasting budget gaps of:</p> <ul style="list-style-type: none"> • £3.9m in 2023/24 • £12.3m in 2024/25 • £16.0m in 2025/26. <p>See recommendation 1 on page 31.</p>

7. Financial sustainability (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Financial planning	<p>The Board approved the IJB’s Medium Term Financial Plan (MTFP) in March 2022. The MTFP sets out the IJB’s forecast income and expenditure for the five-year period from 2022/23 to 2026/27. The IJB has based future projections, beyond the first year, on historical trends and the outlook of its council and NHS partners.</p> <p>The IJB aims to use the MTFP to ensure it has sufficient resources in place to deliver services and the outcomes it wants to achieve for West Dunbartonshire communities. It includes sensitivity analysis to produce best case, worst case and likely case financial projections. At the time of publication, the MTFP forecast the IJB had a likely case cumulative funding gap of £30.7m for the four years from 2023/24 to 2026/27. The MTFP also includes a high-level forecast of the IJB’s financial position for the period up to 2031/32.</p> <p>The financial performance report to the September 2023 Board meeting included updated financial projections with budget gaps of:</p> <ul style="list-style-type: none"> • £3.9m in 2023/24 • £12.3m in 2024/25 • £16.0m in 2025/26. 	<p>The IJB faces a challenging financial position and it has identified significant funding gaps.</p> <p>The IJB should refresh its MTFP to ensure it has a clear plan for how it will use service redesign, transformation and savings to address its financial challenges.</p>	<p>Financial sustainability</p> <p>There is a risk to the longer-term financial sustainability of the IJB</p> <p>See page 33 for further information and our recommendations made to the IJB.</p>

7. Financial sustainability (continued)

Identified risks in financial sustainability arrangements and recommendations for improvement

As a result of our work we have identified risks in the IJB's financial sustainability arrangements. These identified risks have been outlined in the table below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action; see Appendix E for further details.

Financial sustainability risks identified	Recommendation for improvement	IJB response and implementation timescale
<p>1 Financial sustainability – Level 2</p> <p>The financial performance report to the September 2023 Board meeting included updated financial projections with budget gaps of:</p> <ul style="list-style-type: none"> • £3.9m in 2023/24 • £12.3m in 2024/25 • £16.0m in 2025/26. <p>There is a risk to the longer-term financial sustainability of the IJB</p>	<p>The IJB should refresh its MTFP to ensure it has a clear plan for how it will use service redesign, transformation and savings to address its financial challenges.</p>	<p>Management's response</p> <p>The IJB and the HSCP Senior Management Team have recognised the risk to financial sustainability (prior to the COVID-19 Pandemic) as demand and cost for services outstrips "flat-cash" or below inflation funding allocations. The IJB has approved investment from reserves and core budget to fund additional support to drive forward service improvement and service re-design to deliver savings and support financial sustainability.</p> <p>Progress on our major re-design programmes are monitored through our Programme Management Office (PMO), Informal Members Sessions and the IJB.</p> <p>Responsible officer</p> <p>Chief Finance Officer supported by the Chief Officer and Heads of Service.</p> <p>Implementation date</p> <p>The MTFP will be refreshed alongside the 24/25 Budget setting in March 24.</p>

7. Financial sustainability (continued)

Follow up of previously-reported recommendations

In November 2022 Audit Scotland reported one recommendations to the IJB to address risks identified from our Wider Scope audit for financial sustainability. As part of our work in 2022/23, we followed up the progress made by the IJB against the recommendation made and determined whether the risk remained during the year.

Financial sustainability finding as reported by previous auditor	Management response and implementation timeframe	Work undertaken and judgements made in 2022/23	Conclusions reached
<p>1 Sustainability of services The medium to long-term financial plan projects significant budget gaps in future years.</p> <p>While the financial plan contains broad themes setting out how budget gaps will be addressed, transformation and service redesign plans require further development.</p> <p>The joint board's financial plans forecast significant budget gaps in future years. The IJB should further develop financial and service redesign plans to ensure that services are financially sustainable in the future.</p>	<p>Management Response: In 2020/21 the IJB invested (through reserves) in the creation of 3 Service Improvement Leads. They have been supporting Heads of Service, including redesign plans for Care at Home (advanced), Learning Disability (just commenced) and Children & Families (being scoped)</p> <p>For the HSCP to progress redesign effectively improvement capacity needs substantiated.</p> <p>The IJB in approving the new Strategic Plan 2023-2026, will set clear priorities to address the demand for services that can be safely and effectively delivered within the financial resources available.</p> <p>Implementation timescale: None agreed</p>	<p>Progress against the recommendation The IJB has one permanent service improvement lead supported by two service improvement officers (one post is vacant) who are developing its service redesign plans. The IJB has used earmarked reserves to fund appointments to two fixed-term senior manager posts to support the Learning Disability redesign and Mental Health Strategy.</p> <p>Officers reported the progress of the Care at Home review to the Board in September 2023. The objectives of the review include identifying efficiencies and actions to manage service pressures caused by the ageing population.</p> <p>The Learning Disability Review has resulted in some 2023/24 savings. Officers expect further progress to be made when they can secure additional resource to support the review.</p> <p>A five-year plan for the Children and Families Review has been developed and presented to a Board development session.</p> <p>An administration support review is also underway.</p> <p>The Board will be updated on an ongoing basis on the progress of the reviews and progress will also be reflected in the IJB's refreshed medium term financial plan.</p>	<p>Conclusions Ongoing</p> <p>Service reviews are progressing. The IJB will track progress through regular budgetary control reports and specific informal and formal service updates to the Board.</p> <p>The medium term financial plan will be refreshed in line with the progress demonstrated.</p>

7. Commentary on Wider Scope

Vision, leadership and governance

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



7. Vision, leadership and governance (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
<p>Strategy and priorities</p>	<p>The Board approved the IJB’s new strategic plan for 2023 to 2026 “Improving Lives Together” in March 2023. The plan retains the overall vision and many of the core values of the previous strategic plan. The IJB agreed four strategic outcomes:</p> <ul style="list-style-type: none"> • Caring communities • Safe and thriving communities • Equal communities • Healthy communities <p>The strategic plan sets out how the IJB will work with its partners and people to achieve its strategic outcomes. The plan is aligned with West Dunbartonshire Council’s strategic plan and shares some of the council’s vision and priorities.</p> <p>The IJB’s integration scheme sets out the arrangements for how health and social care integration is planned, delivered and monitored within the local partnership area. The IJB presented its new draft integration scheme to the council for comment in October 2023. The next stage is a consultation exercise before final approval by the council and health board.</p>	<p>The IJB has agreed a new strategic plan which sets clear priorities for how it will improve the lives of the communities it serves.</p>	<p>No significant risks identified.</p>

7. Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
<p>Clarity of plans to implement the vision</p>	<p>The IJB's strategic plan is supported by a delivery plan which details the actions it will take over the next three years to achieve its strategic outcomes. The delivery plan provides details of the work programme and projects relating to each priority.</p>	<p>The IJB approved a delivery plan, alongside its strategic plan, which sets out how it will achieve its strategic outcomes.</p>	<p>No significant risks identified.</p>
<p>Governance arrangements</p>	<p>The Board comprises six voting members, three non-executive directors of NHS Greater Glasgow and Clyde and three local councillors from West Dunbartonshire Council. The Board is the IJB's key decision-making body.</p> <p>The Board is supported by several committees and management groups including the Audit and Performance Committee (APC), Senior Management Team, Resilience Group, and Clinical and Care Governance.</p> <p>The APC supports the Board with its responsibilities for risk, internal control, performance and governance.</p> <p>Board and APC papers are publicly available on the IJB's website. We have observed a good level of scrutiny and challenge by members at Board and APC meetings.</p>	<p>The IJB's governance arrangements appear appropriate and allow effective scrutiny and challenge.</p>	<p>No significant risks identified.</p>

7. Vision, leadership and governance (continued)

Our overall assessment (continued)

Area assessed	Our findings	Our judgements	Risks identified
Financial and performance information	<p>Officers presented regular financial performance reports to the Board during 2022/23. These reports provide information and explanation on the IJB’s projected outturn position, updates on progress of delivery of savings and application of reserves. The reports also update how current projections and financial risks could impact on future budget gaps.</p> <p>Officers present quarterly public performance reports to each meeting of the Audit and Performance Committee. These reports show how the IJB is performing against its strategic priorities. Information is presented in a dashboard format with traffic lights used to indicate whether progress is on track. The reports also include trend information over the previous eight quarters.</p> <p>The IJB also prepares an annual performance report, which is published on its website. This outlines the IJB’s performance in relation to national and local priorities. The report also includes a summary of the IJB’s budget performance for the year.</p>	<p>The IJB reports financial and performance information regularly. This includes public performance reporting. Reports provide sufficient detail to allow effective scrutiny of the IJB’s performance.</p>	<p>No significant risks identified.</p>

7. Commentary on Wider Scope

Use of resources to improve outcomes

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



7. Use of resources to improve outcomes (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
<p>Resources deployed to improve strategic outcomes</p>	<p>The IJB reports how it is using its resources to improve strategic outcomes through:</p> <ul style="list-style-type: none"> • quarterly and annual public performance reports • financial performance reports to the Board • the medium-term financial plan. <p>The IJB and its partners face significant workforce pressures and challenges with resourcing and recruitment. The IJB recognises the risk that it unable to develop and deliver sufficient workforce capacity to deliver strategic objectives and meet service demands as high in its strategic risk register.</p> <p>Internal audit reviewed the IJB’s workforce planning arrangements and reported its findings in August 2023. It recommended that the IJB reviews the adequacy of arrangements for:</p> <ul style="list-style-type: none"> • succession planning • risk management in workforce planning • monitoring and reporting arrangements. <p>Officers accepted the recommendations and have set target dates of end March 2024 to complete agreed actions.</p>	<p>The IJB publishes a range of information measuring how it is using its resources to improve strategic outcomes.</p> <p>Officers are progressing internal audit’s recommendation on workforce planning arrangements.</p>	<p>No significant risks identified.</p>

7. Use of resources to improve outcomes (continued)

Our overall assessment

Area assessed	Our findings	Our judgements	Risks identified
Needs of service users being met	<p>The IJB uses its annual performance report to measure and report publicly on how it is meeting the needs of service users. This is measured through:</p> <ul style="list-style-type: none"> • the Scottish Government’s core integration indicators which allow comparison nationally and by IJB • performance against its strategic priorities which all have a service user focus • Care Inspectorate gradings of services, children’s homes and care homes. 	<p>The IJB has a range of indicators to measure how well it is meeting the needs of service users. It reports this information publicly through its annual performance report.</p>	<p>No significant risks identified.</p>
Arrangements to deliver continuous improvements in priority services	<p>We have reviewed the IJB’s arrangements to deliver continuous improvements in priority services in the Best Value section of this report (Section 8).</p>	<p>See page 43.</p>	<p>No significant risks identified.</p>

08

Section 08: **Best Value**

8. Best Value



Best Value summary

Under the Code of Audit Practice, the audit of Best Value is fully integrated within our annual audit work. We are required to report on how the IJB demonstrates and reports that it has Best Value arrangements in place, to secure continuous improvement.

8. Best Value (continued)

Overall summary by reporting criteria

From the satisfactory conclusion of our audit work, we have the following conclusions:

Reporting criteria	Commentary page reference	Identified risks?	Actual risks identified?	Other recommendations made?
 Best Value	43	No	No	No
 Climate change	44	No	No	No

8. Best Value (continued)

Overall commentary on the Best Value arrangements

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

The IJB's senior management team carried out a self-assessment of Best Value arrangements in January 2023. The review considered areas including:

- how the IJB assures itself that services are securing Best Value
- how value for money is demonstrated in the IJB's decisions
- whether the IJB has a culture of continuous improvement
- how improvement actions are prioritised
- the quality of performance information
- how the IJB ensures that its management of resources is effective and sustainable.

Officers identified that the IJB could have a stronger focus on continuous improvement. The IJB has concentrated on the operational delivery of services since the start of the Covid-19 pandemic. Management recognised in the self-assessment that the IJB now

needs to revisit improvement plans and use data better to inform decisions, service redesign and transformation work.

Despite this, the IJB has focussed on Care at Home redesign and delivered a range of savings and management options. It has used the refreshed Area Resource Group to support the targeting of resources.

Internal audit is undertaking a Best Value assurance review as part of its 2023/24 audit plan. This involves reviewing the IJB's Best Value arrangements and highlighting any areas of improvement to management.

Our wider scope work has not identified any significant weaknesses in the governance and accountability of the IJB or its use of resources. The IJB has assessed its Best Value arrangements and identified areas for improvement. The internal audit review will provide a further assessment of its arrangements. These reviews will help the IJB identify the areas it needs to focus on to demonstrate how it is securing Best Value.

8. Best Value (continued)

Climate change

In October 2021, the Scottish Government issued 'Public Sector Leadership on the Global Climate Emergency' guidance. This recommended that public bodies should consider climate risk and adaptation; reporting to external frameworks; and climate change performed linked to their objectives to ensure clear accountability on performance.

In September 2022, Audit Scotland issued 'Scotland's councils' approach to addressing climate change' guidance which highlighted the critical role that Councils have in meeting Net Zero targets by 2045. Councils should consider their plans to make sure they are adequate, there is transparency in what is included in targets, ensure actions are clear, and that detail is included about how the Council will deal with residual emissions. They should also be more transparent about any gaps between the level of impact their planned actions will have and the scale of the challenge. The guidance also highlights the importance of collaboration across councils, key partners and local communities.

The Auditor General and Accounts Commission are developing a programme of work on climate change. This involves a blend of climate change-specific outputs that focus on key issues and challenges as well as moving towards integrating climate change considerations into all aspects of audit work.

Our commentary of the IJB's climate change arrangements

The accountability and responsibility for climate change governance relating to delivery of council and health services lies with the IJB's partner statutory bodies, West Dunbartonshire Council and NHS Greater Glasgow and Clyde. These partners have governance and decision-making structures in place to support sustainability planning and a range of climate change adaptations and improvements. Both these partners will submit Public Bodies Climate Change Duties Reports that will detail their arrangements. The IJB does not own any assets, however it does have a role to play in respect of compliance with actions taken by its partner bodies in respect of climate change. It will give full consideration to the impact of its services on climate change and work with its NHS and local authority partners to meet their sustainability goals.

The IJB does not have a standalone climate change strategy or action plan due to the relationship with its partners outlined above. However, its Strategic Plan 2023-2026 recognises the strategic context in which the IJB must operate. The plan recognises climate change as a human rights issue and the transition to net zero as an opportunity to tackle inequalities.

The IJB does not have its own emissions targets, however its strategic delivery plan covers its contribution to the delivery of NHS and local authority partners' sustainability goals. This is to be monitored by the Board on a six-monthly basis.

The IJB is developing a property strategy in partnership with West Dunbartonshire Council and NHS Greater Glasgow and Clyde which will reflect the flexible working policy that will rationalise the use of buildings and reduce staff travel, which would have a positive impact on reducing carbon emissions.

The IJB has not identified any material impact of climate change requiring disclosure in the 2022/23 annual report and accounts.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

E: Wider scope and Best Value ratings

Appendix A: Draft management representation letter

Tom Reid
Mazars LLP
100 Queen Street
Glasgow
G1 3DN

14 November 2023

Dear Tom

West Dunbartonshire Integration Joint Board - Audit for the Year Ended 31 March 2023

This representation letter is provided in connection with your audit of the financial statements of West Dunbartonshire Integration Joint Board (the IJB) for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the IJB you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Chief Financial Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions undertaken by the IJB have been properly recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all management and Board meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the IJB's financial position, financial performance and cash flows.

Appendix A: Draft management representation letter

Accounting estimates, including those measured at fair value

I confirm that the methods, significant assumptions and the data used by the IJB in making the accounting estimates, including those measured at fair value are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired, or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the IJB have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

We have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Chief Financial Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error. I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the IJB involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the IJB's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

I have disclosed to you the identity of the IJB's related parties and all related party relationships and transactions of which I am aware.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Appendix A: Draft management representation letter

Other Matters

I confirm in relation to the following matters that:

- COVID-19 – I have assessed the continued impact of the COVID-19 Virus pandemic on the IJB and the financial statements, including the impact of mitigation measures and uncertainties, and am satisfied that the financial statements and supporting notes fairly reflect that assessment.
- Ukraine – I confirm that I have carried out an assessment of the potential impact of the continued conflict in Ukraine on the IJB and there is no significant impact on the IJB's operations from restrictions or sanctions in place.
- I confirm that I have assessed the impact on the IJB of the on-going Global Banking challenges, in particular whether there is any impact on the IJB's ability to continue as a going concern, and on the post balance sheet events disclosures.

Going concern

To the best of my knowledge there is nothing to indicate that the IJB will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Performance related allocations

I confirm that I am not aware of any reason why the IJB's funding allocation limits would be changed.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Part VII of the Local Government (Scotland) Act 1973 and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code), require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Annual Governance Statement

I am satisfied that the Annual Governance Statement fairly reflects the IJB's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the Annual Governance Statement.

Annual Report

The disclosures within the Annual Report and the Remuneration Report fairly reflect my understanding of the IJB's financial and operating performance over the period covered by the financial statements.

Unadjusted misstatements

I confirm that there are no uncorrected misstatements.

Yours faithfully
Julie Slavin
Chief Financial Officer

Appendix B: Draft audit report

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

Report on the audit of the financial statements

Opinion on the financial statements

We certify that we have audited the financial statements in the annual accounts of West Dunbartonshire Integration Joint Board for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of West Dunbartonshire Integration Joint Board (the IJB) as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

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

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

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

Responsibilities of the Chief Financial Officer and the Audit and Performance Committee for the financial statements

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

Appendix B: Draft audit report

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Reporting on other requirements

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

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

Other information

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

Appendix B: Draft audit report

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Tom Reid
For and on behalf of Mazars LLP
Mazars LLP
100 Queen Street
Glasgow
G1 3DN

Appendix C: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

Appendix C: Independence (continued)

Fees for work as the IJB's auditor





We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Annual Audit Plan presented to the Audit and Performance Committee in June 2023. We were appointed as auditors for the IJB in the 2022/23 financial year therefore no comparatives have been provided in the below table. Having completed our work for the 2022/23 financial year, we can confirm that our fees are as follows:

Area of work	2022/23 fees
Auditor remuneration	£33,630
Pooled costs	£0
Contribution to PABV costs	£6,400
Audit support costs	£1,280
Sectoral cap adjustment	(£9,840)
Total fees	£31,470



Fees for other work

We confirm that we have not undertaken any non-audit services for the IJB in the year.

Appendix D: Other communications

Other communication	Response
 Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
 External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
 Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ol style="list-style-type: none"> a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
 Going concern	<p>We have not identified any evidence to cause us to disagree with the Chief Financial Officer that the IJB will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>

Appendix D: Other communications (continued)

	Other communication	Response
	<p>Subsequent events</p>	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor’s report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
	<p>Matters related to fraud</p>	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition, we have assessed the adequacy of the IJB’s arrangements for preventing and detecting fraud or other irregularities as part of the wider scope audit and concluded that they are sufficiently designed and implemented.</p> <p>We will obtain written representations from management, and the Audit and Performance Committee, confirming that:</p> <ol style="list-style-type: none"> a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. they have disclosed to the auditor the results of management’s assessment of the risk that the financial statements may be materially misstated as a result of fraud; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: <ol style="list-style-type: none"> i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.

Appendix E: Wider scope and Best Value ratings

We need to gather sufficient evidence to support our commentary on the IJB’s arrangements and to identify and report on any risks. We will carry out more detailed work where we identify significant risks. Where significant risks are identified we will report these to the IJB and make recommendations for improvement. In addition to local risks, we consider challenges that are impacting the public sector as a whole.

We have assigned priority rankings to each of the risks identified to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. The table below describes the meaning behind each rating that we have awarded to each wider scope area based on the work we have performed.

Rating	Description
Level 1	The identified risk and/or significant deficiency is critical to the business processes or the achievement of business strategic objectives. There is potential for financial loss, damage to reputation or loss of information. The recommendation should be taken into consideration by management immediately.
Level 2	The identified risk and/or significant deficiency may impact on individual objectives or business processes. The audited body should implement the recommendation to strengthen internal controls or enhance business efficiency. The recommendations should be actioned in the near future.
Level 3	The identified risk and/or significant deficiency is an area for improvement or less significant. In our view, the audited body should action the recommendation, but management do not need to prioritise.

Tom Reid (Audit Director)

Mazars

100 Queen Street
Glasgow
G1 3DN

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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