

# Dundee City Integration Joint Board

## 2022/23 Annual Audit Report



 AUDIT SCOTLAND

Prepared for Dundee City Integration Joint Board and the Controller of Audit  
22 November 2023

---

# Contents

---

Key messages	3
Introduction	4
1. Audit of 2022/23 annual accounts	5
2. Financial management and sustainability	10
3. Vision, leadership, governance	14
4. Use of resources to improve outcomes	17
Appendix 1. Action plan 2022/23	20

---

# Key messages

---

## 2022/23 annual accounts

- 1 Audit opinions on the 2022/23 annual accounts are unmodified.

## Financial management and sustainability

- 2 The IJB has appropriate and effective financial management arrangements and reported a deficit on the provision of services of £15 million in 2022/23.
- 3 The IJB's reserve balance reduced to £24 million, as Covid-19 reserves were used or reclaimed by the Scottish Government.
- 4 Recruitment and retention of staff remains a significant risk, and increased expenditure on agency workers created a financial pressure during 2022/23.
- 5 The IJB is forecasting an operational overspend of £6 million for 2023/24 and will need to use reserves to bridge the funding gap. It is also projecting a cumulative funding gap of £36 million over the five years to 2027/28.

## Vision, leadership, governance and use of resources

- 6 The IJBs vision, strategy and priorities are clear and governance arrangements are appropriate.
- 7 The IJB has appropriate arrangements in place for securing Best Value, but an annual reporting cycle is still to be introduced.
- 8 The IJB has effective arrangements in place for reporting and scrutinising performance. Reported data for 2022/23 shows performance has deteriorated with 5 of the 8 national indicators worse than in 2021/22.

---

# Introduction

---

1. This report summarises the findings from the 2022/23 annual audit of Dundee City Integration Joint Board (the IJB) and will be published on Audit Scotland's website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).
2. The scope of the audit was set out in an annual audit plan presented to the April meeting of the Integration Joint Board. This annual report comprises significant matters arising from the audit of the IJB's 2022/23 Annual Accounts and conclusions on the wider scope areas, as set out in the [Code of Audit Practice 2021](#).
3. We would like to thank IJB members, management and staff, particularly those in finance, for their cooperation and assistance and we look forward to continuing to work together constructively over the course of the five-year appointment.

## Adding value through the audit

4. We aim to help the IJB promote improved standards of governance, better management and decision making and more effective use of resources. We do this by sharing intelligence and good practice and by identifying and providing insight on significant risks and making clear recommendations for improvement.

## Responsibilities and reporting

5. The IJB has responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The IJB is also responsible for compliance with legislation and establishing appropriate arrangements for governance and propriety.
6. The responsibilities of the independent auditor are established by the Local Government (Scotland) Act 1973, the [Code of Audit Practice 2021](#), and supplementary guidance and International Standards on Auditing in the UK.
7. This report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers, and dates for implementation. Weaknesses or risks identified in this report are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management of its responsibility to address the issues we raise and from maintaining adequate systems of control.

## Auditor Independence

8. We can confirm that we comply with the Financial Reporting Council's Ethical Standard and that we have not undertaken any non-audit related services. We are not aware of any relationships that could compromise our objectivity and independence.

---

# 1. Audit of 2022/23 annual accounts

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

---

Audit opinions on the 2022/23 annual accounts are unmodified.

The audit of the annual accounts was completed in line with the agreed timetable.

---

## Audit opinions on the annual accounts are unmodified

9. The Performance and Audit Committee approved the annual accounts for the year ended 31 March 2023 on 22 November 2023. As reported in the independent auditor's report, in my opinion as the appointed auditor:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report was prepared in accordance with the financial reporting framework
- the management commentary and annual governance statement were consistent with the financial statements and properly prepared in accordance with the applicable requirements.

## The 2022/23 audit was completed on 22 November, in line with the agreed audit timetable

10. We received the unaudited annual report and accounts on 21 June 2023, in line with the agreed audit timetable. The accounts and working papers presented for audit were of a good standard and management and finance staff provided good support to the team during the audit process. This enabled the final accounts audit to be completed in line with the agreed audit timetable and the 2022/23 annual accounts were certified on 22 November 2023.

11. Regulation 11 of [The Local Authority Accounts \(Scotland\) Regulations 2014](#) requires local government bodies to publish on its website its signed audited annual accounts by 31 October each year. We acknowledge that the failure to meet this deadline was due to the availability of resources to complete the 2022/23 audit. We recognise that it is in the best interests of public accountability to get the reporting of audited accounts back to pre-pandemic timelines. We are identifying ways to work more efficiently to expedite the 2023/24 audits whilst at the same time maintaining high standards of quality.

## Our overall materiality level was £6.8 million

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

**13.** Our initial assessment of materiality was carried out during the planning phase of the audit and was based on the financial results reported in the audited 2021/22 annual accounts. These materiality levels were reported in our annual audit plan to the April 2023 meeting of the Integration Joint Board.

**14.** On receipt of the unaudited 2022/23 annual accounts, we reconsidered our materiality levels based on the financial results for the year ended 31 March 2023, and decided to amend our planned amounts to reflect the increase in gross expenditure. Materiality amounts are detailed in [Exhibit 1](#).

---

### Exhibit 1 Materiality values

Materiality level	Per Annual Audit Plan	Actual used
Overall materiality	£6.0 million	£6.8 million
Performance materiality	£4.5 million	£5.1 million
Reporting threshold	£0.25 million	£0.25 million

---

**15.** Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 75 per cent of overall materiality, reflecting the scale of previous year's adjustments, the extent of estimation in the accounts and the planned testing in proportion to the scale of the organisation.

## Our audit identified and addressed the risks of material misstatement

**16.** [Exhibit 2](#) sets out the significant and non-significant risks of material misstatement to the financial statements. It also summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

**Exhibit 2****Significant and non-significant risks of material misstatement**

Nature of risk	Audit response	Conclusion
<b>Significant risks of material misstatement</b>		
<p><b>1. Risk of material misstatement due to fraud caused by management override of controls</b></p> <p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> <li>• Agreement of balances and income to Dundee City Council and NHS Tayside financial reports / ledger / correspondence.</li> <li>• Auditor assurances will be obtained from the auditors of Dundee City Council and NHS Tayside over the controls which ensure completeness, accuracy and allocation of income and expenditure.</li> <li>• Review of year-end consolidation of expenditure reports from Dundee City Council and NHS Tayside, including examining any significant adjustments.</li> </ul>	<p><b>Results and Significant Judgements:</b></p> <p>Balances and transactions in the partner bodies ledgers were consistent with the IJB's accounts.</p> <p>Assurances were obtained from the auditors of Dundee City Council and NHS Tayside and agreed to the year-end position reported in the audited accounts.</p> <p>Year-end adjustments were reviewed, and no errors identified.</p> <p>We reviewed financial reports prepared during 2022/23.</p> <p><b>Conclusion:</b> Audit work found no errors or other accounting treatment that would indicate management override of controls.</p>
<b>Other significant risks of material misstatement</b>		
<p><b>2. Accounting treatment of Covid-19 reserve balance clawback from IJBs by Scottish Government</b></p> <p>In February 2023, NHS Tayside was advised that its 2022/23 revenue resource allocation would be reduced for the unspent Covid-19 reserve balances that the Scottish Government has clawed back from IJBs.</p> <p>This will be reflected in a corresponding reduction in NHS Tayside's contribution to</p>	<ul style="list-style-type: none"> <li>• Verify clawback values to IJB working papers, NHS Tayside audited accounts, budget monitoring reports or schedules.</li> <li>• Review accounting treatment against accounting requirements agreed with Scottish Government and confirm this is adequately disclosed in Dundee City IJB's 2022/23 Annual Accounts.</li> </ul>	<p><b>Results and Significant Judgements:</b></p> <p>Reviewed the accounting for the clawback of the reserves.</p> <p>Agreed the treatment to the accounting within NHS Tayside.</p> <p><b>Conclusion:</b> the accounting for the clawback of reserves is satisfactory.</p>

Nature of risk	Audit response	Conclusion
<p>Dundee City IJB of £10.3 million for 2022/23.</p> <p>The clawback amount was determined based on period 8 expenditure and may be further adjusted as a result of actual Covid-19 expenditure in 2023.</p> <p>It will be important that Dundee City IJB and NHS Tayside account for this on a consistent basis.</p>		

## We reported the significant findings from the audit

**17.** Under International Standard on Auditing (UK) 260 we communicate significant findings from the audit including our view about the qualitative aspects of the body's accounting practices.

**18.** The significant findings are summarised in [Exhibit 3](#). Our audit also identified other presentation and disclosure issues which were discussed with management. These were all adjusted in the audited annual accounts and none were significant enough to require to be separately reported under ISA260.

### Exhibit 3

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

Issue	Resolution
<p><b>1. Double-counting of NHS funding and expenditure</b></p> <p>We identified that £20.4 million of expenditure, funded from reserves, for services provided by NHS Tayside had been double counted in the unaudited accounts, as the amounts had been added to the health expenditure and funding as a manual adjustment despite already being included in the NHS funding and expenditure figures. As a result, both NHS funding contributions and expenditure were overstated by £20.4 million in the unaudited accounts.</p>	<p>The audited financial statements have been adjusted to reflect the actual NHS funding contributions and expenditure for 2022/23.</p> <p>As income and expenditure were both overstated by the same amount this adjustment did not impact upon the deficit on provision of services reported in the Comprehensive Income and Expenditure Statement.</p> <p><b>Recommendation 1</b> (<a href="#">Appendix 1</a>, action plan)</p>

## One misstatement of £20 million was identified during the audit and corrected in the audited accounts

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



**20.** One misstatement of £20 million was identified during the audit and corrected in the audited accounts (issue 1 in [Exhibit 3](#)). As this exceeded our performance materiality threshold, we considered whether further audit procedures were required and reviewed the nature and cause of the misstatement. We concluded that this error arose from an isolated issue that had been identified in its entirety and did not indicate further systemic error and decided not to undertake further audit procedures.

### **Prior year recommendations have been progressed but are still to be fully completed**

**21.** The IJB has progressed all four of the prior year recommendations identified by the previous external auditor, but three are still to be fully completed. For the actions not yet fully implemented, revised timescales have been agreed with management, and are set out in [Appendix 1](#).

---

## 2. Financial management and sustainability

---

Financial management means having sound budgetary processes, and the ability to understand the financial environment and whether internal controls are operating effectively. Financial Sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

---

The IJB has appropriate and effective financial management arrangements and reported a deficit on the provision of services of £15 million in 2022/23.

The IJB's reserve balance reduced to £24 million, as Covid-19 reserves were used or reclaimed by the Scottish Government.

Recruitment and retention of staff remains a significant risk, and increased expenditure on agency workers created a financial pressure during 2022/23.

The IJB is forecasting an operational overspend of £6 million for 2023/24 and will need to use reserves to bridge the funding gap. It is also projecting a cumulative funding gap of £36 million over the five years to 2027/28.

---

### **The IJB approved a budget of £279.6 million for 2022/23**

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

**23.** The Joint Board approved its 2022/23 budget in March 2022. This set out an overall budget of £279.6 million, and funding contributions of £181.2 million from NHS Tayside and £98.4 million from Dundee City Council. Due to the Joint Board's funding and reserves position for 2022/23 it did not need to identify additional savings for 2022/23 to provide a balanced budget.

### **Budget monitoring and reporting arrangements were appropriate**

**24.** Financial monitoring reports were submitted to each meeting of the Joint Board during 2022/23. These included the forecast year-end outturn against the council, health, and partnership total. We have concluded that budget monitoring and reporting arrangements were appropriate.

## The IJB reported a deficit on the provision of services of £15 million in 2022/23

25. The IJB reported a deficit on the provision of services of £15.030 million in the Comprehensive Income and Expenditure Statement in the 2022/23 annual accounts. The reported position reflected the year-end underspend of £7.5 million for 2022/23 against budgeted funding contributions from partners, (£6.5 million in social care budgets and £1.0 million in health budgets), [Exhibit 4](#), and the use of reserves during the year, paragraph [26.](#)

### Exhibit 4 Performance against budget

IJB Budget Summary	Initial Budget £m	Final Budget £m	Overspend) / (Underspend) £m
NHS Tayside	181.2	201.7	(1.0)
Dundee City Council	98.4	106.5	(6.5)
<b>Total</b>	<b>279.6</b>	<b>308.2</b>	<b>(7.5)</b>

Source: Audited Annual Accounts 2022/23

## The IJB's reserve balance reduced to £24 million, as Covid-19 reserves were used or reclaimed by the Scottish Government

26. During 2022/23 General Fund reserves decreased by £15.030 million from £38.998 million to £23.968 million. The reduction in reserves was predominantly in line with the IJB's financial plan and included the Scottish Government's "reclaim" of unspent Covid-19 funding which was transferred through a reduction in IJB contributions from NHS Tayside.

## Recruitment and retention of staff remains a significant risk and increased expenditure on agency workers created a financial pressure during 2022/23

27. Recruitment and retention of staff remains a challenge for the social care sector. The IJB developed and published a [Workforce Plan 2022-25](#) in July 2022. This was the first workforce plan for the IJB and provided an action plan for further development over the period of the plan, with a particular intention to improve the strategic alignment between organisations workforce and financial and service planning.

28. The plan set out 9 aims to assist the IJB in addressing short-term workforce pressures and support longer term transformation:

- describe the overall direction of travel for the workforce,
- determine the context and drivers for change both locally and nationally,

- outline the changes required,
- determine the new roles and skills required,
- assess the new ways of working,
- highlight the workforce risks,
- outline key actions required to implement change,
- continue to work towards a fully integrated workforce, and
- address the need to achieve a sustainable health and social care workforce, supporting the introduction of a National Care Service for Scotland.

**29.** Throughout 2022/23 staffing resource was a key concern for the IJB with recruitment challenges across a range of roles including social care and nursing. Difficulties recruiting consultants and doctors in specific areas such as mental health and substance misuse also resulted in added pressure for nurses and other staff leading to an increase in overtime and increased use of agency workers, which created a financial pressure for the IJB. Higher staff turnover led to more posts remaining vacant throughout the year.

**30.** Due to the extent of the current staffing issues, the resource risk, which previously sat on the Operational Risk Register, has now been escalated to the Strategic Risk Register.

### **The IJB's reserve balance reduced to £24 million at 31 March 2023, due to Covid-19 reserves being used or returned to the Scottish Government**

**31.** During 2022/23 the IJB's general reserve balance reduced by £14.6 million from an opening balance £39.0 million (£9.9 million unallocated and £29.1 million earmarked) to a closing balance at 31 March 2023 of £24.4 million (£11.2 million unallocated and £13.2 million earmarked).

**32.** The decrease in reserves was largely attributable to expenditure of £6.1 million of the Covid-19 reserve during the year, and the return of the remaining £9.5 million unspent Covid-19 funds to the Scottish Government, via an in-year funding reduction from NHS Tayside. The opening Covid-19 reserve balance of £15.6 million is now reduced to zero by 31 March 2023.

### **Financial systems of internal control operated effectively**

**33.** The IJB does not have its own financial systems and instead relies on the financial systems of its partner bodies, NHS Tayside and Dundee City Council. As part of our audit approach, we obtained assurances from the external auditors of NHS Tayside and Dundee City Council (in accordance with ISA 402) and confirmed there were no weaknesses in the systems of internal control for either the health board or the council that impact on the IJB.

## **Internal audit concluded that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2022/23**

**34.** Internal audit provides the Board and the Chief Officer with independent assurance on the Joint Board's overall risk management, internal control, and corporate governance processes. Internal audit is provided by FTF Audit and Management Services (FTF), supported by Dundee City Council's internal audit section. The audit is overseen by FTF's Chief Internal Auditor (CIA).

**35.** In our Annual Audit Plan, we noted that we did not intend to place formal reliance on internal audit's work for our financial statements' responsibilities during 2022/23, but that we would consider aspects of internal audit's work in respect of our wider audit dimension responsibilities.

**36.** The Internal Audit Annual Report was considered by the Joint Board in June 2023. The report concluded that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2022/23. We confirmed as part of the audit that internal audit's opinion was accurately reflected in the Annual Governance Statement in the 2022/23 Annual Accounts.

## **The IJB is forecasting an operational overspend of £6 million for 2023/24 and will need to use reserves to bridge the funding gap**

**37.** The 2023/24 budget was approved in March 2023 and set a baseline budget of £284.1 million. The approved budget included a funding gap of £5.1 million, to be met through targeted recurring savings of £1.4 million and non-recurring savings of £3.7 million.

**38.** The financial monitoring report to the October 2023 Board meeting noted that the IJB is now forecasting an operational overspend of £6.0 million for the year and that further use of reserves will be required in 2023/24.

## **The IJB is projecting a cumulative funding gap of £36 million over the five years to 2027/28**

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

**40.** In June 2023 an indicative 5-year budget was presented to the Board. This showed a cumulative funding gap of £35.8 million over the five years to 2027/28. This highlights the level of transformational change that will be required to be undertaken by the IJB to continue to deliver social care services within available resources.

---

## 3. Vision, leadership, governance

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

---

The IJBs vision, strategy and priorities are clear and governance arrangements are appropriate.

---

### The IJB's vision, strategy and priorities are clear

**41.** The IJB approved a revised [Strategic and Commissioning Framework 2023-2033](#) in June 2023, which details how it plans to deliver its vision that: 'People in Dundee will have the best possible health and wellbeing'. The framework is also backed up with service plans and the strategic financial plan.

**42.** The framework sets out the 6 strategic priorities that will be the focus for the IJB for the next 10 years to help it to achieve its the ambition for health and social care and achieve Scotland's National Health and Wellbeing Outcomes:

- (1) Inequalities – Support where and when it is needed most:** Targeting resources to people and communities who need it most, increase life expectancy and reduce differences in health and wellbeing.
- (2) Self-care – Supporting people to look after their wellbeing:** Helping everyone in Dundee look after their health and wellbeing, including through early intervention and prevention.
- (3) Open door – Improving ways to access services and supports:** Making it easier for people to get the health and social care supports that they need.
- (4) Planning together – Planning services to meet local need:** Working with communities to design the health and social care supports that they need.
- (5) Workforce – Valuing the workforce:** Supporting the health and social care workforce to keep well, learn and develop.
- (6) Working together – Working together to support families:** Working with other organisations in Dundee to prevent poor health and wellbeing, create healthy environments, and support families, including unpaid carers.

## **Governance arrangements are appropriate and support effective scrutiny, challenge and informed decision making**

**43.** In making our assessment of the IJB's governance arrangements we considered the:

- structure and conduct of board and committee meetings,
- overall arrangements to ensure appropriate standards of conduct including compliance with the Standing Financial Instructions and Standing Orders,
- arrangements for the prevention and detection of fraud, error, bribery and corruption, and
- reporting of performance and whether this is fair, balanced and understandable.

**44.** The IJB Board met remotely seven times during 2022/23, and the Performance and Audit Committee met four times. The papers presented to the Board and the Audit and Performance Committee are published timeously on the Dundee Health and Social Care partnership website.

**45.** There is evidence from several sources which demonstrate the Joint Board's commitment to openness and transparency:

- Recordings of Joint Board meetings, and the minutes and supporting papers, are available on the Joint Board's website.
- The Joint Board's website allows the public access to a wide range of information including the registers of board members interests, and details of current projects and initiatives.
- The Joint Board makes its annual accounts available on its website. These include a management commentary which adequately explains the Joint Board's financial performance for the year.

**46.** Our observations at committee meetings throughout the year has found that these are conducted in a professional manner and there is a good degree of scrutiny and challenge by members.

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

**47.** The IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. We considered the arrangements in place at Dundee City Council and NHS Tayside and found them to be adequate. The Joint Board has a Code of Conduct in place which members are required to adhere to, and the members' registers of interest is publicly available on the Joint Board's website.

## **Climate change arrangements are the responsibility of the IJB's partner bodies**

**48.** The Scottish Parliament has set a legally binding target of becoming net zero by 2045 and has interim targets including a 75% reduction in greenhouse gas emissions by 2030. The public sector in Scotland has a key role to play in ensuring these targets are met and in adapting to the impacts of climate change.

**49.** The IJB as a public body listed in the Climate Change (Duties of Public Bodies; Reporting Requirements) (Scotland) Order 2015 is required to report annually on compliance with climate change duties. The annual report by the IJB highlights that functions of climate change have not been delegated to the IJB and remain the responsibility of its partner bodies, Dundee City Council and NHS Tayside. The partner bodies climate change arrangements are detailed in the 2022/23 Annual Audit Reports of the respective bodies.



---

## 4. Use of resources to improve outcomes

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

---

The IJB has appropriate arrangements in place for securing Best Value, but an annual reporting cycle is still to be introduced.

The IJB has effective arrangements in place for reporting and scrutinising performance. Reported data for 2022/23 shows performance has deteriorated with 5 of the 8 national indicators worse than in 2021/22.

---

### **The IJB has appropriate arrangements in place for securing Best Value, but an annual reporting cycle is still to be introduced**

**50.** Integration Joint Boards 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.

**51.** The IJB put arrangements in place during 2020/21 to ensure that regular self-assessments were undertaken to support the IJB in demonstrating how it and its partners are delivering Best Value and securing economy, efficiency, effectiveness, and equality in service provision.

**52.** The first BV self-assessment report was taken to the Performance and Audit Committee in September 2020, but the previous external auditor noted that there was no formal reporting cycle for future BV reports. They recommended in the 2021/22 Annual Audit Report that management progress its Best Value plans during 2022/23 to ensure reporting mechanisms are in place to demonstrate and report annually on the Joint Boards arrangements to secure Best Value.

**53.** Management agreed that Best Value reporting would be developed and presented to the IJB before the end of the 2022/23 financial year, but this did not take place. We have been advised that a Best Value update is currently being drafted for consideration at the IJB meeting in December 2023.

### **The IJB has developed a transformation programme**

**54.** Dundee City Integration Joint Board recognises that transforming services is key to continuing to improve outcomes for service users. It currently has oversight of the following key transformation programmes:

- Reshaping Non-Acute Care Programme – Living Life Well: Tayside Mental Health and Wellbeing Strategy (Tayside Mental Health Alliance)
- ADP Strategic Framework and Delivery Plan
- Urgent and Unscheduled Care Board (Care Closer to Home, Specialist Palliative Care Services)
- Integrated Community Teams
- Transforming Public Protection (Dundee Partnership)

### **The IJB has effective arrangements in place for reporting and scrutinising performance**

**55.** The Performance and Audit Committee (PAC) consider performance monitoring at each meeting. Reports are split between national performance indicators and local performance indicators. The committee also routinely considers more detailed reports on specific areas of concern. This has included readmissions, complex delayed discharges, and falls, to support an improved understanding of underlying challenges and the development of more detailed improvement plans.

### **A fair, balanced and understandable analysis of the IJB's performance was included in the 2022/23 annual accounts**

**56.** Performance data has been included in the management commentary with the data for Dundee and Scotland for 2022/23 included. Financial performance was also covered, with clear commentary on the financial outturn and the impact that Covid-19 costs and funding has had on the 2022/23 outturn and reserves.

### **Reported data for 2022/23 shows performance has deteriorated with 5 of the 8 national indicators worse than in 2021/22**

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

**58.** The [IJB Annual Performance Report 2022/23](#) was published on the 28 July 2023 and discussed at the Board meeting on the 23 August 2023. It includes performance data for the national indicators reported in 2022/23 and details the Joint Board's performance against each indicator in terms of its performance in comparison to the 2015/16 base year, its performance in comparison to the prior year, and its performance in comparison to the Scottish average.

**59.** It shows the following performance for the 8 key national indicators that reported data in 2022/23:

- performance against 3 of the indicators was better than in 2020/21, with 5 reporting a worse performance,
- performance against 2 of the indicators was better than the Scottish average, with 6 worse than the national average.

**60.** The longer-term performance data in the annual performance report highlights that performance against 4 of the national indicators was better than in the 2015/16 base year.

---

### **Good practice – Reporting on performance against strategic priorities**

In addition to the overarching annual performance report, the IJB published a more detailed performance report for each of the following strategic priorities to demonstrate the impact of our services, how they have improved, feedback from people who use these services and areas for priority: [Health Inequalities](#), [Early Intervention and Prevention](#), [Models of Support](#), [Pathways of Care](#), and [Localities and Engaging with Services](#).

---

# Appendix 1. Action plan 2022/23

## 2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Checks on accounts presented for audit</b></p> <p>Expenditure funded from reserves for services provided by NHS Tayside had been double counted in the accounts presented for audit.</p> <p><b>Risk: The annual accounts do not accurately reflect the in-year expenditure and funding contributions.</b></p>	<p>Management should review the accounts presented for audit against in-year budget monitoring reports to ensure expenditure and funding figures are in line with expectations.</p> <p><a href="#">Issue 1 in Exhibit 3</a></p>	<p>Recommendation to be implemented as set out by Audit Scotland.</p> <p><b>Responsible officer:</b> Chief Finance Officer</p> <p><b>Agreed date: 30 June 2024</b></p>

## Follow-up of prior year recommendations

Issue	Recommendation	Progress during 2022/23
<p><b>PY1. Transformational change and related reporting</b></p>	<p>Management should ensure that appropriate arrangements are in place to monitor and report to the Joint Board on the achievement and impact of transformational changes to service delivery models, and future savings plans. This should be undertaken alongside developing a reserves strategy which sets out how and when monies will be spent, taking cognisance of any Scottish Government clawback arrangements if clarified.</p>	<p><b>Completed</b></p> <p>The 2023/24 budget ended up not containing a transformational change programme but consisted largely of non-recurring savings and applying reserves. However, the 2024/25 budget will require significant transformation to achieve balance and that will be a strong feature of the subsequent in year reporting.</p> <p>The 5-year financial framework was presented to the IJB in June.</p> <p>A reserves strategy was approved at the IJB's meeting in December 2022.</p>
<p><b>PY2. Performance and Audit Committee</b></p>	<p>The Performance and Audit Committee should review its terms of reference to ensure it is operating in accordance with</p>	<p><b>In Progress</b></p> <p>These are currently being updated with the aim to present to the IJB meeting in December 2023.</p>

Issue	Recommendation	Progress during 2022/23
	best practice guidance for audit committees.	<b>Responsible officer:</b> Chief Finance Officer <b>Agreed date:</b> 13 December 2023
<b>PY3. Best Value</b>	Management should progress its Best Value plans during 2022/23 to ensure reporting mechanisms are in place to demonstrate and report on the Joint Boards arrangements to secure Best Value.	<b>In Progress</b> A Best Value update is currently being drafted with the aim to present to the IJB meeting in December 2023. <b>Responsible officer:</b> Chief Finance Officer <b>Agreed date:</b> 13 December 2023
<b>PY4. Governance and improvement actions</b>	Management should identify the governance changes needed following ministerial approval of the Joints Boards revised integration scheme, alongside its existing governance action plan's outstanding actions. As part of this process management should review actions: for their currency; against strategic priorities and risk profile; and against its capacity to deliver.	<b>In Progress</b> No identified changes to Standing Orders, however, work underway to review financial regulations and scheme of delegation. Date for IJB to be agreed. Internal Audit review of governance action plan accepted by Performance and Audit Committee with work ongoing in partnership with Internal Audit to streamline outstanding actions. <b>Responsible officer:</b> Chief Finance Officer <b>Agreed date:</b> February 2024

# Dundee City Integration Joint Board

## 2022/23 Annual Audit Report

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

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)

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



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