

Cùram Is Slàinte nan Eilean Siar

2021/22 Annual Audit Report – DRAFT



 AUDIT SCOTLAND

Prepared for Cùram Is Slàinte nan Eilean Siar (Western Isles Integration Joint Board)
and the Controller of Audit
24 November 2022

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Key messages

2021/22 annual accounts

- 1 Our audit opinions on the annual accounts of Cùram Is Slàinte nan Eilean Siar (the Western Isles Integration Joint Board or the IJB) are unmodified.

Financial management and sustainability

- 2 The IJB had an underspend of £8.7 million in 2021/22 due to late funding and vacancies across services.
- 3 The IJB's 2022/23 budget has a funding gap of £3.8 million to be met from reserves and savings.
- 4 The medium-term financial plan has been revised. The IJB projects a budget deficit of £4.6 million in 2024/25, after identified savings are applied.

Governance, Transparency and Best Value

- 5 Audit Committee papers published on the IJB website are incomplete.
- 6 The Scheme of Integration has not yet been revised and a Best Value self-assessment has not been undertaken since 2019.
- 7 Declining population and workforce challenges are impacting the IJB's current and future capacity to deliver services.

Introduction

1. This report summarises the findings arising from the 2021/22 audit of Cùram Is Slàinte nan Eilean Siar or Western Isles Integration Joint Board (the IJB).
2. The scope of the audit was set out in our 2021/22 Annual Audit Plan presented to the June meeting of the Audit Committee. This report comprises the findings from the audit of the IJB's annual accounts; consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#); and a review of the arrangements put in place by the IJB to secure Best Value.
3. The global coronavirus pandemic continued to impact on the Western Isles IJB during 2021/22. This had implications for the services it delivers and its ability to achieve strategic priorities. We considered the risks relating to the pandemic as part of our audit planning and did not consider there to be any significant audit risks for 2021/22.

Adding value through the audit

4. We add value to the IJB, through the audit by:
 - identifying and providing insight on significant risks, and making clear and relevant recommendations
 - sharing intelligence and good practice through our national reports ([Appendix 2](#)) and good practice guides
 - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Responsibilities and reporting

5. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.
6. Also, the IJB is responsible for compliance with legislation, and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.
7. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

8. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the effectiveness of the IJB's performance management arrangements,
- the suitability and effectiveness of corporate governance arrangements,
- the financial position and arrangements for securing financial sustainability, and
- Best Value arrangements.

9. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

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

11. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

Auditor Independence

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

13. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £27,960 as set out in our 2021/22 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

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

Audit appointment from 2022/23

15. The Accounts Commission is responsible for the appointment of external auditors to local government bodies. External auditors are usually appointed for a five-year term either from Audit Scotland's Audit Services Group or a private firm of accountants. The current appointment round was due to end in 2020/21 but this was extended for a year so that 2021/22 is the last year of the current appointment round. The procurement process for the new round of audit

appointments was completed in May 2022. From financial year 2022/23 Audit Scotland will continue to be the appointed auditor for Western Isles Integration Joint Board, although the team undertaking the audit will change.

16. A new [Code of Audit Practice](#) applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

17. We would like to thank Board and Audit Committee members and staff for their co-operation and assistance over the last six years.

1. Audit of 2021/22 annual accounts

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

Main judgements

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

Limited progress has been made on prior year recommendations.

Our audit opinions on the annual accounts are unmodified

18. The IJB's annual accounts for the year ended 31 March 2022 were approved by the Audit Committee on 24 November 2022. As reported in the independent auditor's report:

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

The annual accounts were submitted for audit by the statutory date

19. The unaudited annual accounts were received in line with our agreed audit timetable on 30 June 2022. The working papers provided with the unaudited accounts were of a good standard and finance staff provided support to the audit team during the audit.

There were no objections raised to the annual accounts

20. The Local Authority Accounts (Scotland) Regulations 2014 require local government bodies to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The IJB complied with the regulations. There were no objections to the 2021/22 annual accounts.

Overall materiality is £0.8 million

21. We apply the concept of materiality in both planning and performing the audit and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report. We identify a benchmark on which to base overall materiality, such as gross expenditure, and apply what we judge to be the most appropriate percentage level for calculating materiality values. We also determine a lower performance materiality threshold.

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

23. Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit. This was reviewed on receipt of the unaudited annual accounts and remained unchanged. This is summarised in [Exhibit 1](#).

Exhibit 1 Materiality values

| Materiality level | Amount |
|-------------------------|--------------|
| Overall materiality | £0.8 million |
| Performance materiality | £0.6 million |
| Reporting threshold | £25 thousand |

Source: Audit Scotland

We have one significant finding to report on the audited annual accounts

24. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices.

25. Our review of the prior year audited income and expenditure identified a discrepancy between the Comprehensive Income and Expenditure Statement and the detailed analysis disclosed in Note 4 to the accounts. The Community Services gross income and gross expenditure were understated by £4.9m in the CIES, however this was correctly stated in Note 4. This error arose due to a late adjustment in which income related to the Lewis Residential Care development was initially coded to expenditure. The net expenditure and reserve position

were unaffected, however gross income and expenditure were increased by £4.9m to correct the errors on the Community Services line of the Comprehensive Income and Expenditure Statement.

We have obtained assurance over the significant risks identified in our Annual Audit Plan

26. Exhibit 2 sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan. It 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 risks of material misstatement in the financial statements

| Audit risk | Assurance procedure | Results and conclusions |
|---|--|---|
| <p>1. Risk of material misstatement due to fraud caused by management override of controls</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> | <p>Agreement of balances and transactions to Comhairle nan Eilean Siar and NHS Western Isles financial reports/ ledger/ correspondence.</p> <p>Auditor assurances will be obtained from the auditors of Comhairle nan Eilean Siar and NHS Western Isles.</p> <p>Review of year-end adjustments.</p> <p>Review of financial monitoring reports during the year.</p> | <p>Results & Significant Judgements:</p> <p>Balances and transactions in the IJB audited accounts were consistent with the parent body ledgers.</p> <p>Assurances were obtained from the auditors of Comhairle nan Eilean Siar and NHS Western Isles and agree to the year-end position reported in the audited accounts.</p> <p>Year-end adjustments and journals were reviewed in each partner audit and no errors identified.</p> <p>We reviewed financial reports prepared during 2021/22.</p> <p>Conclusion: Audit work found no errors or other accounting treatment that would indicate management override of controls.</p> |

There were no identified misstatements in the audited annual accounts for the year under audit but a prior year restatement

of £4.9m was required and an explanatory note added to financial statements

27. It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected. However, the final decision on making the correction lies with those charged with governance considering advice from senior officers and materiality.

28. A prior year restatement of £4.9m was required and officers agreed to correct the error and added an explanatory note to the financial statements. We considered the need for further audit procedures but as the error arose from a specific accounting oversight, and the net expenditure and reserve position were unaffected, we did not consider further audit procedures were required.

Limited progress was made on prior year recommendations

29. The IJB has made limited progress on outstanding recommendations from previous annual reports. Only one of the seven recommendations brought forward has been completed. Four of the seven remain in progress, one is outstanding, and the remaining recommendation is not currently being actioned. For actions not yet completed, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

2. Financial management and sustainability

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

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

Main judgements

The IJB had an underspend of £8.7 million in 2021/22 due to late funding and vacancies across services.

The IJB identifies a £3.8 million deficit in 2022/23 to be met from savings and reserves.

The IJB has revised its medium-term financial plan, but it is not clear how budgeted deficits can be fully met, which are projected as £4.6 million in 2024/25, after identified savings.

We obtained audit assurances over the financial impact of operating Goathill

30. [Exhibit 3](#) sets out the audit dimension risk relating to financial management and sustainability we identified in planning our 2021/22 audit. It summarises the audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 3

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

| Audit risk | Assurance procedure | Results and conclusions |
|---|--|----------------------------------|
| 1. Financial impact of operating Goathill | <ul style="list-style-type: none"> We reviewed the Goathill project as part of our Best | Results & Significant Judgements |

| Audit risk | Assurance procedure | Results and conclusions |
|--|--|--|
| <p>Since 2017, the Comhairle identified a revenue funding shortfall in the new Goathill complex (486k), in its business case. At Dec 2021, this shortfall had grown to £1.179m. A reduced service has been introduced and still has a £526k deficit. The revenue costs of a facility were not considered fully and a debate between the Comhairle and the health board in terms of the responsibility of the project is ongoing.</p> <p>Risk: An underfunded new service will produce an overall IJB deficit and deplete existing IJB reserves.</p> | <p>Value Assurance Review of the Comhairle in 2022.</p> <ul style="list-style-type: none"> We considered the financial impact of any shortfall in Goathill running costs on the IJB and report this in our Annual Audit Report. | <p>The Comhairle's BVAR noted that the funding shortfall for the operation of the Goathill residential care home has now been addressed with additional funding from the Scottish Government and the non-recurring use of IJB reserves until the close of 2024/25.</p> <p>Conclusion: Ongoing funding of the Goathill campus will be incorporated into the wider medium-term financial challenges the IJB faces. This should be addressed through the strategic and financial planning being developed as set out in the agreed actions in Appendix 1</p> |

The 2021/22 budget included planned savings and contributions from reserves to address the funding gap

31. The IJB approved its 2021/22 initial budget in March 2021. The budget was set with projected expenditure of £68.7 million, core funding of £64.8 million, and a funding gap of £3.9 million. Plans to address the gap included savings of £3.2 million and a further £0.7 million non-recurring Health and Social care funding.

32. Savings plans included £2 million to be delivered by Comhairle delegated services and £1.2 million from those delivered by NHS Western Isles. £1.9 million of savings were assessed as low risk, £0.8 million medium risk and only £0.5 million were assessed as having a high risk of not being achievable.

Additional funding during the year increased budgets to £71.7 million

33. The IJB budget increased from £64.8 million to £71.7 million, as a result of in-year additional funding from the Scottish Government, including £2.6 million of Covid carry forward funding that has been added to the Comhairle's specific reserves.

34. In total, NHS budgets increased by £6.5 million and Comhairle budgets by £0.6 million.

The IJB returned an £8.7 million underspend in 2021/22

35. The IJB returned an underspend of £8.7 million against a budgeted breakeven position ([Exhibit 4](#)) that has been transferred to specific and general reserves.

36. NHS Western Isles accounted for £8.2 million of the total underspend. £4.5 million of this was direct transfers from Scottish Government into reserves at year-end, comprising £2.6 million of Covid carry forward and £1.9 million of capital funding transferred to revenue at the year end to fund a dental project. A further £0.8 million of late allocations from the Scottish Government were taken into reserves, including £0.1 million for each of Nurse Director support for Care Homes, Multi-disciplinary teams, and additional staffing.

37. Service underspends included Acute Nursing, Community Management and Mental Health services (£0.5 million each), the Alcohol and Drugs partnership (£0.3 million). £1.0 million underspend in Partnership Services includes £0.7 million specifically relating to CAMHS funding not spent in the year.

38. The Comhairle underspend of £0.5 million was a result of significant overspends in residential care (£1.2 million) and Management and Administration (£0.5 million) offset by underspends in Commissioning and Partnership services (£1.5 million), independent care homes (£0.4 million), mainland placements (£0.2 million) and Home Care (£0.1 million).

39. Service underspends continue to arise primarily from vacancies that have not been filled, particularly to higher grade posts in Community Nursing and Allied Health Professionals, and other staff vacancies in Mental Health and Home Care & Reablement.

Exhibit 4 Performance against budget

| IJB budget summary | Budget £m | Actual £m | Variance £m |
|---------------------------|--------------|--------------|----------------|
| Net Expenditure | 71.8 | 63.1 | 8.7 |
| NHS Western Isles | 50.0 | 41.8 | 8.2 |
| Comhairle nan Eilean Siar | 21.8 | 21.3 | 0.5 |

Source: Western Isles IJB Annual Accounts 2021/22

Budget monitoring arrangements are appropriate

40. Budget monitoring reports were submitted to the IJB Board in December, January, and February (to end of month 9) and to the Audit Committee in September. The outturn to-date and projected year-end outturn position were

clearly stated in these reports. No year-end report was presented to members of the Board due to the timing of committee meetings and the induction of newly elected Comhairle Board members following May's Local Government elections.

41. In February 2022, the financial monitoring report to the end of Month 9 (December 2021) showed an underspend of £1.1 million but still assumed a year end break-even position once £0.8 million of general and earmarked reserves were applied.

42. In December 2021 Residential care was projecting an overspend of £0.3 million. At year-end, the overspend had risen to £1.3 million and reflects the £1.2 million transferred to fund the Goathill residential care capital project.

The IJB identified a £3.8 million deficit in 2022/23 to be met from savings and reserves

43. The IJB approved its 2022/23 budget in March 2022. Budgeted expenditure of £71.6 million is to be met from core funding of £68.2 million with a £3.5 million deficit, that rises to £3.8 million once the phased opening of the Goathill residential care complex is included.

44. The deficit is expected to be met from £1.3 million savings, £2.2 million of reserves, and £0.3 million of financial flexibilities. Identified savings are primarily through vacancies (£0.5 million) and are therefore non-recurring.

The IJB has revised its medium-term financial plan, but it is not clear how budgeted deficits can be fully met

45. The IJB set out a 3-year budget proposal when approving the 2022/23 budget in March 2022. This estimates a gross funding gap that rises from £5.6 million for 2023/24 to £6.4 million for 2024/25.

46. A net gap of £2.8 million remains in 2023/24 that rises to £4.6 million in 2024/25, after identified savings (£0.3 million per year) vacancy savings (£1.4 million per year) and the release of earmarked reserves (£0.7 million) and further financial flexibilities (£0.3 million) are applied.

47. It is not clear how these gaps will be met once general and earmarked reserves are fully utilised. In the absence of new savings, the general and earmarked reserves will be fully utilised by the end of 2023/24.

Financial systems of internal control operated effectively

48. The IJB does not have its own financial systems and instead relies on partner bodies' financial systems. The Comhairle holds reserves on the IJB's behalf.

49. As part of our audit approach, we sought assurances from the external auditor of NHS Western Isles and Comhairle nan Eilean Siar and confirmed there were no significant weaknesses in the systems of internal controls for either body.

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

50. The IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. We reviewed the arrangements in place at the Comhairle and NHS Western Isles and found them to be adequate. The IJB has a Code of Conduct, and this was revised in July 2022 and approved by the IJB Board. Members are required to complete a Register of Interest on an annual basis.

51. The IJB website currently identifies the registers of interest for Board members from July 2021. The IJB has more up to date registers which it maintains but these haven't been updated on the website. We have included this issue with our general recommendation from prior years about keeping the website up to date.

3. Governance, transparency and Best Value

The effectiveness of scrutiny and oversight and transparent reporting of information.

Using resources effectively and continually improving services.

Main Judgements

Governance arrangements are generally appropriate and operate effectively although audit committee papers on the IJB website are incomplete.

The Scheme of Integration has not yet been revised and a Best Value self-assessment has not been undertaken since 2019.

Declining population and workforce challenges are impacting the IJB's current and future capacity to deliver services.

Governance arrangements are generally appropriate and operate effectively

52. The IJB met virtually six times during 2021/22, and the IJB Audit committee has also met six times in 2022.

53. Through attendance at committee meetings during the year, we observed that meetings are conducted in a professional manner and members engage in a good level of scrutiny and debate.

54. The Management Commentary included in the annual accounts provided relevant and accurate information on the IJB, its main objectives and the principal risks faced around workforce challenges and increasing vacancies.

55. The Management Commentary was of a good standard as it provided transparent reporting of the financial outturn and explanations of the impact of Covid19 on outturn and reserves.

Audit committee papers on the IJB website are incomplete

56. In 2019 we reported that recent IJB Board and Audit committee papers and minutes had not been published on the IJB website. This had improved in 2020

and in our 2020/21 Annual Audit report we concluded that papers and minutes of both committees are now published timeously.

57. In 2021/22, we note that the publication of papers and minutes for the IJB Audit Committee is again incomplete. Papers for the meetings in January and September 2022 have been published on the website, but those for meetings held in February, July and August 2022 have not been published.

58. The IJB should ensure that a complete record of papers and minutes are published to fully demonstrates a commitment to openness and transparency. This issue has been raised in prior years and is included in our recommendations in [Appendix 1](#).

The IJB Scheme of Integration has not been revised

59. The IJB's Scheme of Integration was approved in 2015 and was due to be reviewed every five years. A full review was delayed by the Covid pandemic.

60. The IJB has carried out a 'light touch' review, but needs to complete the full review of the Integration scheme. This is due to be undertaken in December 2022.

Recommendation 1

The IJB should complete a full review of the Scheme of Integration

IJB services remain at significant risk due to workforce issues and some services may be unsustainable.

61. As described in the exhibit below, we continue to identify significant workforce challenges that are a threat to the provision of services, and we note that in June 2022 the IJB published a Workforce and Demographic Report. This monitoring report included analysis of the services most at risk from vacancies, workforce age, expected retirements and sickness absence in the next 2 years.

Exhibit 3

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

| Audit risk | Assurance procedure | Results and conclusions |
|---|--|---|
| 2. Workforce issues and sustainability of services There are significant vacancies and sickness absence in homecare staff, and we understand that the | <ul style="list-style-type: none"> We will establish the current rates of vacancy and sickness absence. We will identify whether care assessment plans | Results & Significant Judgements Demographic change. The working age population on the Western Isles has decreased by 7 per cent between 2005 and 2020 and total population is |

| Audit risk | Assurance procedure | Results and conclusions |
|--|--|---|
| <p>IJB and the Comhairle have been unable to meet service demand due to staffing issues.</p> <p>Risk: Some services are unsustainable due to workforce shortages.</p> | <p>and delivery are significantly different and the extent to which service users are awaiting care provision.</p> <ul style="list-style-type: none"> • We will consider these areas in the context of the IJB total workforce. | <p>expected to decrease by almost 10 per cent between 2018 and 2033.</p> <p>Over 33 per cent of the workforce are currently over 55 years of age and almost 5 per cent are over 65.</p> <p>292 employees are expected to retire by the end of 2030/31 with 90 of those currently working in Residential services where vacancies are already difficult to fill.</p> <p>Vacancies have risen in the first Quarter of 2022/23. At 31 March 2022, the IJB had 153 vacant posts from an establishment of 1,134, a vacancy rate of 13 per cent across services. By June 2022, this had risen to 163 vacancies.</p> <p>The largest number of vacancies are in Community Nursing. 41 vacant posts equate to 31 per cent of the 133 established posts. Significant vacancies were also reported in Home Care & Reablement (38), Acute Nursing (14) and in Residential Services (17).</p> <p>Sickness absences are high in some frontline social care services. Sickness rates have reached almost 12 per cent in Dental services</p> <p>Increases in sickness absence have occurred in adult residential care, Community Hospital care, Community Nursing and AHP. Sickness rates remain at almost 10 per cent in Adult Homecare and Adult Residential care.</p> <p>Agency staffing costs. Mental health consultants and Out of Hours services both had an overspend of £0.4 million relating to the use of GP locums. Agency staff are a costly option that typically cost double the equivalent substantive role in social care, and can cost up to five times</p> |

| Audit risk | Assurance procedure | Results and conclusions |
|------------|---------------------|---|
| | | <p>more than NHS staff in consultancy roles.</p> <p>Service delivery Workforce challenges are having a significant impact on the IJB's service delivery, specifically within the Adult Homecare Service. The number of assessed patients awaiting hospital care increased by 80 per cent between May and December 2021. In the same period, the number of unassessed clients who may need care increased by 368 per cent.</p> <p>IJB actions: In June 2022, the IJB published a Workforce and Demographic Report. This monitoring report included analysis of the services most at risk from vacancies, workforce age, expected retirements and sickness absence in the next 2 years.</p> <p>Residential Services and Home care & Reablement are highlighted as areas where risk is particularly acute.</p> <p>Conclusion: IJB services remain at significant risk due to workforce issues and some services may be unsustainable.</p> |

Best Value self-assessments have not resumed

62. 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.

63. The IJB has not carried out a Best Value self-assessment since 2019. In our 2020/21 Annual Audit report we recommended the resumption of the self-assessments, but this remains outstanding. A revised date for delivery is set out in our Action Plan at [Appendix 1](#).

National performance audit reports

64. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2021/22 we published some reports which may be of direct interest to the IJB as outlined in [Appendix 2](#).

65. The IJB has established arrangements for considering and reviewing national reports including any locally agreed actions.

Appendix 1. Action plan 2021/22

2021/22 recommendations

| Issue/risk | Recommendation | Agreed management action/timing |
|---|---|---|
| <p>1. Scheme of Integration</p> <p>The IJB's Scheme of Integration was approved in 2015 and was scheduled to be reviewed every five years. This has been delayed due to the Covid pandemic and a 'light touch' review was instead undertaken.</p> <p>The Scottish Government has written to IJB's advising that a full review of the Scheme of Integration should be undertaken at pace notwithstanding the NCS consultation.</p> <p>Risk – the current Scheme of Integration may no longer accurately reflect services to be delivered by the IJB and key governance arrangements of the scheme.</p> | <p>The IJB should complete a full review of the Scheme of Integration</p> <p>Paragraph 60</p> | <p>A review of the Scheme of Integration is due to be carried out in December 2022 and presented to the IJB Board early in 2023.</p> <p>Chief Officer</p> <p>March 2023</p> |

Follow-up of prior year recommendations

| Issue/risk | Recommendation | Agreed management action/timing |
|------------------------------------|--|--|
| b/f 1. Unidentified savings | In order to bridge the funding gap and achieve the required level of efficiency savings, the IJB should develop a transformational plan for the redesign of services. This | <p>In Progress</p> <p>The Chief Officer is due to present the Strategic Plan to the IJB Board in December 2022. The Mental Health</p> |

| Issue/risk | Recommendation | Agreed management action/timing |
|--|--|---|
| | should be developed alongside the medium-term financial plan and be consistent with the Health Board's Transformational Plan. | <p>redesign has recommenced after a break during covid and the Goathill complex with extra care housing is due to go live in early 2023. These will be the main areas of redesign for 23/24.</p> <p>Responsible officer Chief Officer</p> <p>Revised Date 31 March 2023</p> |
| b/f 2. Medium Term Financial Planning | The IJB should prepare a revised medium-term financial plan to consider the financial impact of the COVID-19 global pandemic | <p>Complete</p> <p>A medium financial plan was produced for 22/23 budget and revised in July 2022 to take on Board increase funding from Scottish Government and agreed reserves. The 3-year plan will be updated for budget setting 2023/24 and presented to the Board</p> <p>Responsible Officer Chief Financial Officer</p> <p>Revised Date 31 March 2023</p> |
| b/f 3. Strategic planning | A three-year strategic plan should be published to bring together the Board's financial plans, workforce plans, and service redesign priorities. | <p>In Progress</p> <p>SBAR on the Strategic Plan was taken to the IJB in June 2022 with a date for the strategic plan to be published in December 2022. However, an IJB meeting was cancelled due to the late auditing of the annual accounts – this meeting was due to be used to go through the draft strategic plan.</p> <p>Responsible Officer Chief Officer</p> |

| Issue/risk | Recommendation | Agreed management action/timing |
|------------------------------------|---|---|
| | | Revised Date 31 December 2022 |
| b/f 4. Workforce challenges | Publication of an integrated workforce plan should be a priority for the IJB to address acute workforce challenges. | Not accepted Each partner creates their own workforce plan and there is no requirement by the Scottish Government to create a joint plan. However as previously indicated the Western Isles faces a loss in both overall population and work age population which is the greatest risk for both Health and Social Care. The Chief Officer and Chief Finance Office have had various meetings with Scottish Government agencies to discuss the worsening demographic and population changes which are having a huge effect on the ability of Health and Social Care to provide services. Quarterly Demographic and Workforce reports are being presented to IJB and onward to Scottish Government. |
| b/f 5. Transparency | Further progress is required to publish committee papers and minutes and to make key documents available on the IJB website | In Progress Committee papers had been brought up to date on the website in response to this recommendation. However, since that update, the agenda and papers for some audit committee meetings have not been published and the register of interests are not up to date. Responsible officer Business Manager Revised date March 2023 |

| Issue/risk | Recommendation | Agreed management action/timing |
|--|--|--|
| b/f 6. Risk Management | A refreshed Risk Management Strategy and Policy should be approved to ensure that the Board's arrangements effectively manage risks to achieving its objectives. This should include unifying the risk register and forming a strategic risk management group. | <p>In Progress</p> <p>The Chief Officer has updated the risk strategy by amalgamating the Boards current risk register into a ratified set of risks that accurately describe the current risk profile facing the board. In turn this will inform the Boards risk appetite and the development of a risk management framework and strategy going forwards. This was presented to the IJB in May 2022 and an updated risk analysis was present to the Board August 22. The completed strategy will be presented early in the new year.</p> <p>Responsible officer Chief Officer</p> <p>Revised date 31 March 2023</p> |
| b/f 7. Best Value self-assessment | An annual Best Value self-assessment should be undertaken and approved by the IJB Audit committee. | <p>Outstanding</p> <p>No best value self-assessment has been undertake in 2021 or 2022.</p> <p>Responsible officer Chief Officer</p> <p>Revised date TBC</p> |

Appendix 2. National performance reports and papers

May

[Local government in Scotland Overview 2021](#)

June

[Covid 19: Personal protective equipment](#)

July

[Community justice: Sustainable alternatives to custody](#)

September

[Covid 19: Vaccination programme](#)

January

[Planning for skills](#)

[Social care briefing](#)

February

[NHS in Scotland 2021](#)

March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

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