East Dunbartonshire HSCP

Performance Audit & Risk Committee Special Meeting

Thursday 27th October 2022 at 3pm
Meeting will be held virtually via MS Teams

AGENDA

Item	Lead	Description	Update	For Noting/ Approval
STANDING ITEMS				
1.	Councillor Smith	Welcome and Introductions	**Verbal**	**Noting**
2.	Fiona Mitchell Knight	Audit Scotland – Proposed Annual Audit Report 2021/22	**Paper**	**Noting**
3.	Jean Campbell	East Dunbartonshire IJB Annual Audited Accounts 2021/22	**Paper**	**Approval**
4.	Councillor Smith	Date of next meeting – tbc January 2023	**Verbal**	**Noting**

EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP
PERFORMANCE, AUDIT & RISK COMMITTEE

DATE OF MEETING:	**27th OCTOBER 2022**
REPORT REFERENCE:	**HSCP/271022/02**
CONTACT OFFICER:	**JEAN CAMPBELL, CHIEF FINANCE & RESOURCES OFFICER (07583902000)**
SUBJECT TITLE:	**AUDIT SCOTLAND – PROPOSED ANNUAL AUDIT REPORT 2021/22**

1.0 PURPOSE

1.1 The purpose of this report is to present the Annual Audit Report and Auditor's letter for the financial year ended 31st March 2022 which has been prepared by the IJB's external auditors, Audit Scotland.

2.0 RECOMMENDATIONS

It is recommended that the Performance, Audit & Risk Committee:

2.1 Consider the contents of the Annual Audit Report for the Financial Year 2021/22.

CAROLINE SINCLAIR

CHIEF OFFICER, EAST DUNBARTONSHIRE HSCP

3.0 BACKGROUND/MAIN ISSUES

3.1 It is a statutory requirement of the accounts closure process that the IJB receive a letter (ISA260) from the appointed External Auditors highlighting the main issues arising in respect of the Annual Accounts 2021/22. This is attached as **Appendix 1**.

3.2 This includes the letter of representation from the Chief Finance & Resources Officer which provides the External Auditors with assurances regarding some of the key accounting requirements and assumptions utilised in the closing of the 2021/22 Financial Accounts.

3.3 The Annual Audit report for 2021/22 is attached as **Appendix 2** and presents a summary of the key findings arising from the 2021/22 audit.

4.0 IMPLICATIONS

The implications for the Committee are as undernoted.

4.1 Relevance to HSCP Board Strategic Plan 2022-2025 Priorities; - supports robust governance and financial management arrangements which underpins the delivery of all strategic priorities.

1. Empowering People
2. Empowering Communities
3. Prevention and Early Intervention
4. Public Protection
5. Supporting Carers and Families
6. Improving Mental Health and Recovery
7. Post-pandemic Renewal
8. Maximising Operational Integration

4.2 Frontline Service to Customers – None

4.3 Workforce (including any significant resource implications) – None

4.4 Legal Implications – The Annual Accounts should be prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014 as modified by the Coronavirus (Scotland) Act 2020), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).

4.5 Financial Implications – The Annual Audit report provides an opinion on the annual accounts for the partnership and considers the wider audit dimensions that frame the scope of public sector audit requirements including financial management arrangements, financial sustainability, governance and transparency and value for money.

4.6 Procurement – None

4.7 ICT – None

4.8 Corporate Assets – None

4.9 Equalities Implications – None

4.10 Sustainability - None

4.11 Other – None

5.0 MANAGEMENT OF RISK

The risks and control measures relating to this Report are as follows:-

5.1 The annual audit report sets out the key risks for the partnership and an action plan which mitigates these risks.

6.0 IMPACT

6.1 **STATUTORY DUTY –** The Annual Accounts should be prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014 as modified by the Coronavirus (Scotland) Act 2020), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).

6.2 **EAST DUNBARTONSHIRE COUNCIL** - None

6.3 **NHS GREATER GLASGOW & CLYDE** - None

6.4 **DIRECTIONS REQUIRED TO COUNCIL, HEALTH BOARD OR BOTH –** No Direction Required

7.0 POLICY CHECKLIST

7.1 This Report has been assessed against the Policy Development Checklist and has been classified as being an operational report and not a new policy or change to an existing policy document.

8.0 APPENDICES

8.1 Appendix 1 – Letter ISA 580 271022

8.2 Appendix 2 – 2021-22 EDIJB AAR Proposed

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AUDIT SCOTLAND

Performance, Audit and Risk Committee of the East Dunbartonshire Integration Joint Board

27 October 2022

East Dunbartonshire Integration Joint Board
Audit of 2021/22 annual accounts

Independent auditor's report

1. Our audit work on the 2021/22 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 27 October 2022 (the proposed report is attached at **Appendix A**).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Performance, Audit and Risk Committee's consideration our proposed annual audit report on the 2021/22 audit. The section headed "Significant findings from the audit of the financial statements" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.

4. The report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature and request that these misstatements be corrected.

6. We have no unadjusted misstatements to be corrected.

Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Performance, Audit and Risk Committee we seek confirmation from those charged with governance of any instances of any actual, suspected, or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Representations from the Chief Finance and Resources Officer

8. As part of the completion of our audit, we are seeking written representations from the Chief Finance and Resources Officer on aspects of the annual accounts, including the judgements and estimates made.

9. A draft letter of representation is attached at **Appendix B**. This should be signed and returned to us by the Chief Finance and Resources Officer with the signed annual accounts prior to the independent auditor's report being certified.

Appendix A: Proposed Independent Auditor's Report

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of East Dunbartonshire Integration Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including 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 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the East Dunbartonshire Integration Joint Board as at 31 March 2022 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 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 18 July 2016. The period of total uninterrupted appointment is six years. I am independent of the East Dunbartonshire Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the East Dunbartonshire Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the East

Dunbartonshire Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the East Dunbartonshire Integration Joint Board's current or future financial sustainability. However, I report on the East Dunbartonshire Integration Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Finance and Resources Officer and Performance, Audit and Risk Committee for the financial statements

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

In preparing the financial statements, the Chief Finance and Resources Officer is responsible for assessing the East Dunbartonshire Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the East Dunbartonshire Integration Joint Board's operations.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how the East Dunbartonshire Integration Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of the East Dunbartonshire Integration Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and

- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the East Dunbartonshire Integration Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

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

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

Reporting on other requirements

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

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

Other information

The Chief Finance and Resources Officer is responsible for 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.

My 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 my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in

accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Fiona Mitchell-Knight FCA
Audit Director
Audit Scotland
4th Floor, The Athenaeum Building
8 Nelson Mandela Place
Glasgow, G2 1BT

27 October 2022

Appendix B: Letter of Representation (ISA 580) – to be reproduced on client's letterhead

Fiona Mitchell-Knight
Audit Director
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

27 October 2022

Dear Fiona,

East Dunbartonshire Integration Joint Board
Annual Accounts 2021/22

1. This representation letter is provided in connection with your audit of the annual accounts of East Dunbartonshire Integration Joint Board for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.

2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Performance, Audit and Risk Committee, the following representations given to you in connection with your audit of East Dunbartonshire Integration Joint Board's annual accounts for the year ended 31 March 2022.

General

3. East Dunbartonshire Integration Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2021/22 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by East Dunbartonshire Integration Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.

Financial Reporting Framework

4. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (2021/22 accounting code), mandatory guidance from LASAAC, and the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

5. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the East Dunbartonshire Integration Joint Board at 31 March 2022 and the transactions for 2021/22.

Accounting Policies and Estimates

6. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2021/22 accounting code, where applicable. Where the code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All

accounting policies applied are appropriate to East Dunbartonshire Integration Joint Board's circumstances and have been consistently applied.

7. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

8. I have assessed East Dunbartonshire Integration Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on East Dunbartonshire Integration Joint Board's ability to continue as a going concern.

Liabilities

9. All liabilities at 31 March 2022 of which I am aware have been recognised in the annual accounts.

Fraud

10. I have provided you with all information in relation to

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

11. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

12. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2021/22 accounting code. I have made available to you the identity of all the East Dunbartonshire Integration Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

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

Management commentary

14. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

15. I confirm that the East Dunbartonshire Integration Joint Board has undertaken a review of the system of internal control during 2021/22 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

16. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2022, which require to be reflected.

Balance Sheet

17. All events subsequent to 31 March 2022 for which the 2021/22 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Jean Campbell
Chief Finance and Resources Officer

East Dunbartonshire Integration Joint Board

Proposed 2021/22 Annual Audit Report



AUDIT SCOTLAND

Prepared for East Dunbartonshire Integration Joint Board and the Controller of Audit
27 October 2022

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Key messages

2021/22 annual accounts

1 East Dunbartonshire Integration Joint Board's financial statements give a true and fair view of the state of its affairs as at 31 March 2022 and the income and expenditure for the year. They were properly prepared in accordance with regulations and guidance.

2 The management commentary, audited part of the remuneration report and annual governance statement were consistent with the financial statements and prepared in accordance with proper accounting practices.

Financial management and sustainability

3 Joint Board's across Scotland were operating in a volatile and challenging environment in 2021/22. The Integration Joint Board (IJB) had to prioritise its health and social care response to the Covid-19 pandemic against the backdrop of workforce and financial challenges.

4 The IJB has appropriate and effective financial management. Systems of internal control operated effectively over financial systems.

5 Covid-19 funding of £16.552 million was received in 2021/22; £9.963 million was unspent at 31 March 2022 and is included in reserves to cover future costs.

6 A medium-term financial plan has been developed and reflects the impact of Covid-19. The IJB is projecting a budget deficit of £11.484 million over the period 2022-27.

7 Staff pay awards are expected to be higher than those currently included in the budget. This will add to the future pressures on the IJB's budget.

8 There remain workforce pressures within both partner organisations. The IJB is developing a 3-year Workforce Plan in tandem with the Strategic Plan 2022-2025 to ensure that it has a workforce available to deliver on the Plan.

Governance, Transparency and Best Value

9 There is scope for a greater commitment to openness and transparency by the IJB Board in live-streaming meetings and publishing board papers on the website.

10 There is effective scrutiny, challenge and informed decision making.

11 The IJB has good arrangements in place for managing and reporting performance. It has appropriate arrangements in place to assess and report on how it aims to deliver Best Value in how it operates.

12 Performance has declined compared to 2020/21 but this reflects reduced activity in the previous year due to the pandemic.

Introduction

1. This report summarises the findings arising from the 2021/22 audit of East Dunbartonshire Integration Joint Board (the IJB).

2. The scope of the audit was set out in our 2021/22 Annual Audit Plan presented to the Performance, Audit and Risk Committee on 31 March 2022. This report comprises the findings from:

- the audit of the East Dunbartonshire Integration Joint Board's 2021/22 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.

Adding value through the audit

3. 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 3) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Responsibilities and reporting

4. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices The IJB is also responsible for compliance with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

5. 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.

6. 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.

7. Further details of the respective responsibilities of management and the auditor can be found in the Code of Audit Practice 2016. and supplementary guidance.

8. 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.

9. 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.

Audit appointment from 2022/23

10. The Accounts Commission is responsible for the appointment of external auditors to local government bodies. 2021/22 is the last year of the current appointment round.

11. The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23 Mazars will be the appointed auditor for the IJB. We are working closely with the new auditors to ensure a well-managed transition.

New Code of Audit Practice

12. 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.

13. The Code outlines the objectives and principles to be followed by all auditors. The audit of financial statements is covered by auditing standards, so the Code focuses more on the wider dimension objectives and responsibilities of public sector auditors. It is a condition of their appointment by the Auditor General for Scotland or the Accounts Commission that they follow it.

Auditor Independence

14. 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.

15. 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.

16. 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.

17. We would like to thank IJB Board members, Performance, Audit and Risk Committee members and senior officers 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

East Dunbartonshire Integration Joint Board's financial statements give a true and fair view of the state of its affairs as at 31 March 2022 and the income and expenditure for the year. They were properly prepared in accordance with regulations and guidance.

The management commentary, audited part of the remuneration report and annual governance statement were consistent with the financial statements and prepared in accordance with proper accounting practices.

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 Performance, Audit and Risk Committee on 27 October 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 unaudited annual accounts were submitted for audit in line with the agreed timetable

19. We received the unaudited annual accounts on 28 June 2022 in line with our agreed audit timetable. The annual accounts submitted for audit were of a reasonable standard as were supporting working papers. Finance staff provided good support to the audit team which helped ensure the final accounts audit process ran smoothly.

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.

Our audit testing reflected the calculated materiality levels

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.

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 and revised on receipt of the unaudited annual accounts and is summarised in Exhibit 1.

Exhibit 1
Materiality values

Materiality level	Amount
Overall materiality	£2.000 million
Performance materiality	£1.000 million
Reporting threshold	£60 thousand

Source: Audit Scotland

Significant findings to report on the 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 IJB's accounting practices covering accounting policies, accounting estimates and financial statements disclosures.

25. We have significant findings on the annual accounts, and these are summarised in Exhibit 2.

Exhibit 2
Significant findings from the audit of financial statements

Issue	Resolution
1. The unaudited Annual Accounts do not comply with the Local Authority Accounts (Scotland) Regulations 2014. The unaudited annual accounts did not fully comply with the Local Authority Accounts (Scotland) Regulations 2014 in the following respects: • They have not been titled "unaudited annual accounts" and have instead been referred to as "draft annual accounts" • The date of the meeting to authorise the audited annual accounts is incorrectly disclosed – only the date that the unaudited accounts were issued should be disclosed • Statement of Responsibilities should not have any narrative after the final bullet point (Approve the Annual Accounts) • Responsibilities of the Chief Finance and Resources Officer – this should be dated 28 June 2022 which is the date the Unaudited Accounts were issued. For clarity the only statements requiring a signature prior to submission of the unaudited accounts to the auditor are the Statement of Responsibilities and Balance Sheet. These require only to be signed by the Chief Finance and Resources Officer. Regulation 10(3) sets out the more detailed sign off requirements on the audited accounts. The IJB is in breach of the Local Authority Accounts (Scotland) Regulations 2014.	The IJB should ensure it has procedures in place to ensure that the unaudited annual accounts comply with the requirements of the Local Authority Accounts (Scotland) Regulations 2014. **Recommendation 1** (Refer Appendix 1, action plan)
2. Significant increase in reserves The balance held in reserves for future spending amounted to £26.990 million at 31 March 2022, compared to £12.844 million as at 31 March 2021.	For information only.

Issue	Resolution
This significant increase is due to a combination of funding received from the Scottish Government late in the year which has been carried forward for use in 2022/23 and the release of funding previously withheld by the Scottish Government until reserve balances were used. This funding is included as an underspend against budget for the partner bodies in the annual accounts as the funding is paid to the IJB through the partners.	

Source: Audit Scotland

26. In the unaudited annual accounts, the prior year set aside figure and income contribution had been restated in the comprehensive income and expenditure statement. Both figures were reduced by £0.225 million, due to the set aside data incorrectly including activity related to the Royal Hospital for Children. While noting that this was a prior period error, the restatement of £0.225 million is not material and should not have been restated. We requested that the prior year balances were reinstated, and this has been corrected.

27. We have obtained audit assurances over the identified significant risks of material misstatement to the financial statements. Exhibit 3 sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan.

Exhibit 3

Significant risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results
1. Risk of management override of controls International Auditing Standards require that audits are planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.	Service auditor assurances obtained from the external auditors of East Dunbartonshire Council and NHS Greater Glasgow and Clyde in line with the 2021/22 Integration Joint Boards Protocol for Auditor Assurances issued by Audit Scotland. Agreement of contributions received from partner bodies to be included in the IJB's annual accounts to letters of assurance provided by East Dunbartonshire Council and	Testing of income and expenditure transactions was carried out by the external auditors of the IJB's partner bodies. No issues were identified which would have an impact on the processing of IJB transactions or our audit approach. We did not identify any instances of management override of controls. No further audit work required.

Audit risk	Assurance procedure	Results
	NHS Greater Glasgow and Clyde.	
2. Accounts Inspection Advert The 2020/21 accounts inspection advert inaccurately advised that objections could be sent to IJB officers when these should be directed to the auditor only. The advert also did not state when the inspection period was ending, and the objection end date was one working day too early. **Risk:** The IJB is in breach of the Local authority Accounts (Scotland) Regulations 2014.	Reviewed the accounts inspection advert for 2021/22 and ensure it was published in line with the criteria set out in the Local Authority Accounts (Scotland) Regulations 2014.	We reviewed the accounts inspection advert and confirmed that it complied with the Local Authority Accounts (Scotland) Regulations 2014. No further audit work required.

Source: Audit Scotland Annual Audit Plan 2021/22

There were no misstatements identified in the annual accounts

28. There were no misstatements identified in the annual accounts. In accordance with normal audit practice, a number of presentational and disclosure amendments were discussed and agreed with management.

The management commentary complies with the applicable guidance but there remains scope for improvement

29. The management commentary that accompanies the annual accounts should clearly explain how the IJB has performed against its budget and how this is reconciled to the financial statements. The 2021/22 management commentary provides reasonable discussion on the year under review including the impact of Covid-19 on the IJB.

30. In previous years we reported that the management commentary and annual governance statements suffered from excessive detail and that they should be made more understandable for the reader. Improvements have been made to the management commentary and annual governance statement to reduce superfluous information. Management should continue to seek opportunities to develop both areas further. For example, there remains scope to improve the presentation by using infographics rather than block text within the management commentary. Good progress was made on prior year recommendations.

The annual governance statement provides a good level of disclosure on the IJB's governance framework

31. The IJB has adopted a Scheme of Administration that defines the powers, relationships and organisational aspects for the IJB Board. This includes the Integration Scheme, Standing Orders for meetings, Terms of Reference and membership of IJB Board committees, the Scheme of Delegation to Officers and the Financial Regulations.

32. There is a Local Code of Corporate Governance which is reviewed and updated annually. The local code follows the principles set out in the CIPFA /SOLACE Delivering Good Governance in Local Government: Framework 2016. The IJB's annual governance statement complies with this guidance.

33. The statement presents a good explanation and assessment of the IJB's governance arrangements for the year under review. The impact that Covid-19 on these arrangements in 2021/22 has been detailed.

Good progress was made on prior year recommendations

34. The IJB has made good progress in implementing our prior year audit recommendations. For actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in Appendix 1.

2. Financial management and sustainability

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

Main judgements

Joint Board's across Scotland were operating in a volatile and challenging environment in 2021/22. The IJB had to prioritise its health and social care response to the Covid-19 pandemic against the backdrop of workforce and financial challenges.

The IJB has appropriate and effective financial management arrangements in place. Systems of internal control operated effectively over financial systems.

Covid-19 funding of £16.552 million was received in 2021/22; £9.963 million was unspent at 31 March 2022 and is included in reserves to cover future costs.

A medium-term financial plan has been developed and reflects the impact of Covid-19. The IJB is projecting a budget deficit of £11.484 million over the period 2022-27.

Staff pay awards are expected to be higher than those currently included in the budget. This will add to the future pressures on the IJB's budget.

There remain workforce pressures within both partner organisations. The IJB is developing a 3-year Workforce Plan in tandem with the Strategic Plan 2022-2025 to ensure that it has a workforce available to deliver on the Plan.

Financial management

35. It is the IJB's responsibility to ensure that its financial affairs are conducted in a proper manner. As auditors, we need to consider whether audited bodies have established financial management arrangements.

36. The Chief Finance and Resources Officer was in post throughout the accounting year and is responsible for ensuring that appropriate financial services are available to the IJB and Chief Officer.

37. The IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer and Chief Finance and Resources Officer. All funding and expenditure for the IJB is incurred by partner bodies and processed in their accounting records. Satisfactory arrangements are in place to identify this income and expenditure and report this financial information to the IJB Board.

38. The partner bodies have sound systems of internal control in place over the key financial systems which the IJB rely upon to produce their accounts.

Our audit work addressed the wider audit dimension risks identified in our 2021/22 Annual Audit Plan

39. Appendix 2 sets out the wider audit dimension risks relating to financial management and sustainability that we identified in our 2021/22 Annual Audit Plan. It summarises the audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

The IJB reported an underspend in 2021/22

40. The IJB reported an underspend of £14.146 million against a budgeted breakeven position (Exhibit 5) .This underspend was mainly due to unspent late funding received from the Scottish Government to be carried-forwarding into future years. This most significant element refers to Covid-19 funding (£9.963 million) which has been transferred to earmarked reserves. This will be available to support ongoing expenditure related to Covid-19 and the recovery of services during 2022/23. Additional funding received during the later stages of the financial year mask the true extent of underspends on revenue budgets. This has been reported throughout the year to the IJB Board through regular revenue monitoring updates.

Exhibit 5
Performance against budget

IJB budget summary	Budget £m	Actual £m	Variance £m
Net Expenditure	212.712	198.566	14.146
Funded by			
NHS Greater Glasgow and Clyde	149.959	134.666	15.293
East Dunbartonshire Council	62.753	63.900	(1.147)
Total			14.146

Source: EDIJB Annual Accounts 2021/22

The budget process and monitoring arrangements are appropriate and clear information was provided to IJB board members throughout the year

41. Detailed budget monitoring reports were submitted to the IJB Board and the Performance, Audit and Risk Committee throughout the year. The outturn to date and projected year-end outturn position were clearly stated in these reports while the actual year-end outturn position was in line with expectations.

42. The content of the budget monitoring reports was updated to reflect the financial impact of Covid-19 and a section was included that highlighted additional income received and expenditure incurred due to Covid-19. This ensured the IJB Board members were aware of how Covid-19 impacted on the overall financial position and outturn.

43. We observed that senior management and members receive regular and accurate financial information on the IJB's financial position and have concluded the IJB has appropriate budget monitoring arrangements.

The IJB has a medium-term financial plan

44. 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.

45. In March 2022, the IJB approved its medium-term financial plan, which spans the period 2022-27. The plan covers most of the key areas, including the Covid-19 pandemic impact and response.

46. The Strategic Plan 2022-25 has forecasted a budget deficit of £11.484 million over the period 2022-27, see Exhibit 6. Based on the projected income and expenditure figures the IJB will require to achieve savings of between £0.5 million and £3 million each year from 2022/23 onwards. The aim of the Strategic Plan 2022-25 is to set out how the IJB will take action to address the financial challenges across a number of key areas identified. These areas are:

- Delivering services differently through transformation and service Redesign
- Strategic commissioning
- Prevention and early intervention
- Efficiency savings
- Shifting the balance of care
- Demand management

Exhibit 6

IJB Scenario Financial Planning against budget

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Total Cost Pressures	15.064	5.539	5.779	6.032	6.301	38.716

Anticipated Funding	(14.615)	(2.989)	(3.096)	(3.207)	(3.325)	(27.232)
Financial Challenge	0.449	2.550	2.683	2.825	2.977	11.484

Source: East Dunbartonshire Integration Joint Board Strategic Plan 2022-2025

47. As the country begins to emerge from the pandemic, and the implications for public services and funding become clearer, the IJB should seek to ensure it has a clear financial strategy underpinning its service priorities. The extent of the challenges means that services will need to change if they are to be sustainable in the future. Maintaining, and ultimately increasing service delivery as health and social care services are remobilised, is a key priority for the IJB at this time.

48. Overall, the IJB has shown good progress in developing the medium-term financial strategy and strategic plan. It is acknowledged that medium-term planning is difficult during the pandemic and during the period of uncertainty such as we are in now. The Scottish Government's proposals for a new National Care Service add to the uncertainty. One-year funding settlements exacerbate this also.

Recommendations 2 and 3

The IJB should continue to explore and progress transformational change with its partners.

The medium-term plan should be revisited to take account of the longer-term financial challenges facing the Board.

The impact of Covid-19 has resulted in a significant increase in the IJB's reserves

49. The reserves policy of the IJB was approved by the IJB Board in August 2016. The integration scheme and the reserves policy set out the arrangements between the partners for addressing and financing any overspends or underspends. Both documents highlight that any underspend in an element of the operational budget arising from specific management action may be retained by the IJB to either fund additional in year capacity or be carried forward to fund capacity in future years of the Strategic Plan 2022-2025. Alternatively, these can be returned to the partner bodies in the event of a windfall saving.

50. The IJB's reserves policy states that a prudent level of unearmarked general reserves will represent approximately 2 per cent of net expenditure to smooth financial variations over the years. This 2 per cent equates to approximately £3.9 million in 2021/22. As a result of the surplus in 2021/22, the contingency general reserve has a £3.078 million balance which is an increase

from the £1.935 million balance in 2020/21 but still leaves insufficient capacity for responding to future in-year pressures. The Chief Finance and Resources Officer regularly reviews the level of unearmarked reserves to ensure compliance with the reserves policy and provides updates to the IJB Board throughout the year.

51. The IJB has also increased the level of earmarked reserves to £23.912 million (2020/21: £10.909 million) which are available to deliver on specific strategic priorities. The most significant element relates to Covid-19 funding which accounts for £9.9 million of earmarked reserves. Funding attributed to this area was announced on the 25 February 2022 and has been carried forward to fund expenditure relating to Covid-19 during 2022/23.

52. We are pleased to note that all earmarked elements represent genuine commitments and have been clearly explained within the management commentary in the 2021/22 annual accounts.

53. Exhibit 7 below sets out the reserves balances since the inception of the IJB in 2016/17 to 2021/22. The balance is significantly higher than it has been at any other point in the IJB's history, primarily due to ring-fenced monies which have to be spent in areas set out by the Scottish Government.

Exhibit 7
Reserves 2016/17 to 2021/22

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Unearmarked Reserves	2.661	0.957	0.041	0	1.935	3.078
Earmarked Reserves	2.570	3.130	1.853	0.804	10.909	23.912
Total Reserves	**5.231**	**4.087**	**1.894**	**0.804**	**12.844**	**26.990**

Source: East Dunbartonshire Integration Joint Board 2016/17 to 2021/22 Annual Accounts

54. In September 2022, the Scottish Government commenced discussions with IJBs regarding the possible clawback of reserves to meet future funding pressures. These discussions are at an early stage so further information will be required to support the IJB Board in making informed decisions on the use of reserves.

There remain significant workforce pressures within both partner organisations

55. There are significant workforce pressures in the NHS and social care systems. In its February 2022 NHS in Scotland 2021 report, in the context of the scale and pace of remobilisation, Audit Scotland noted the risk of workforce issues in the NHS. This included concerns about staff wellbeing, sustainability

because of retirals, recruitment challenges, and the need to ensure the appropriate skills mix. From a social care perspective, Audit Scotland's 2022 Social Care briefing highlighted that the social care workforce has high vacancy rates with many services facing recruitment problems. Together with the increasing demand for social care, this presents a risk to the capacity and quality of social care services.

56. The workforce issues being experienced nationally are replicated within both the partner organisations of the East Dunbartonshire IJB. These issues have the potential to impact on the IJB's performance.

57. The IJB is developing a 3-year Workforce Plan in tandem with the Strategic Plan 2022-2025 to ensure that it has a workforce available to deliver on the Plan. In addition, the workforce plan will link to both partners' workforce plans. A key element will be retaining and developing the current workforce.

The Scottish Government's proposals for a new National Care Service have the potential to significantly change the way that IJBs are structured and operate

58. Following the publication of the Independent Review of Adult Social Care in February 2021, work is currently under way nationally to develop and implement a new National Care Service (NCS). The Scottish Government expects the new NCS to be operational by 2026. These proposals have the potential to significantly change the way that IJBs are structured and operate.

59. In its January 2022 Social Care briefing, Audit Scotland noted stakeholders concerns about the extent of the proposals for reform and the time it will take to implement them. Many of the current issues experienced by the social care sector, for example the workforce pressures, cannot wait for the Scottish Government to implement a new NCS. In its formal response to the national consultation on the new NCS proposals, the IJB highlighted similar points to those identified in the Audit Scotland national report. Whilst supportive of opportunity to discuss improvements to users experience of social care services, the IJB emphasised the importance of ongoing discussions on the short, medium, and long-term challenges relating to funding, staffing, and service redesign.

Financial systems of internal control operated effectively

60. The IJB does not have its own financial systems and instead relies on partner bodies' financial systems. All financial transactions are therefore processed under the partner bodies' internal controls.

61. As part of our audit approach, we sought assurances from the external auditors of NHS Greater Glasgow and Clyde and East Dunbartonshire Council. These assurances were received and confirmed there were no significant weaknesses in the systems of internal controls for either the health board or the council.

62. As auditors, we need to consider whether audited bodies have established adequate financial management arrangements. While the IJB had

comprehensive financial regulations in place during the year, these were due for review in March 2020. The updated financial regulations were presented and approved by the IJB Board in March 2022. These documents should be reviewed periodically to confirm that they remain fit for purpose for the operations of the IJB.

Internal audit provided a reasonable level of assurance over the adequacy and effectiveness of the IJB's framework of governance, risk management and internal control

63. Internal audit provides the IJB with independent assurance on risk management, internal control, and corporate governance processes. For the IJB, internal audit is delivered by the Chief Auditor of East Dunbartonshire Council.

64. We found the internal audit function to be operating effectively, and in line with the Public Sector Internal Audit Standards (PSIAS) requirements.

65. PSIAS require the provision of an annual internal audit opinion, to inform the IJB's annual governance statement. Internal audit issued its Annual Assurance Report to the IJB in June 2022 which included the opinion that: overall, reasonable assurance can be placed on the adequacy and effectiveness of the partnership's framework of governance, risk management and internal control arrangements for the year ending 31 March 2022.

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

66. 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 East Dunbartonshire Council and NHS Greater Glasgow and Clyde and found them to be adequate. The IJB has a Code of Conduct in place to which members subscribe and the Members' Registers of Interests are publicly available on the IJB's website.

67. The board requires that all members must comply with the Standards in Public Life – Code of Conduct for Members of Devolved Public Bodies. In August 2016, the IJB Board agreed to adopt the template Code of Conduct for IJBs which had been produced by the Scottish Government. Based on our review of these arrangements we concluded that the IJB has effective arrangements in place for the prevention and detection of corruption and we are not aware of any specific issues that we require to bring to your attention.

3. Governance, transparency and Best Value

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

Main Judgements

There is scope for a greater commitment to openness and transparency by the IJB Board in live-streaming meetings and publishing board papers on the website.

There is effective scrutiny, challenge and informed decision making.

The IJB has good arrangements in place for managing and reporting performance. It has appropriate arrangements in place to assess and report on how it aims to deliver Best Value in how it operates.

Performance has declined compared to 2020/21 but this reflects reduced activity in the previous year due to the pandemic.

There is scope for a greater commitment to openness and transparency by the IJB Board

68. The IJB made some changes to its governance arrangements in response to the pandemic. These have been set out in the annual governance statement in the annual accounts.

69. There continues to be an increasing focus on demonstrating the best use of public money. Openness and transparency in how a body operates and makes decisions is key to supporting understanding and scrutiny. Transparency means that the public has access to understandable, relevant, and timely information about how the body is taking decisions and using resources.

70. The IJB has its own website which includes the schedule of meetings and the agendas, reports, and minutes for each meeting of the IJB Board and the Performance, Audit and Risk Committee.

71. Typically, meetings of the IJB Board are open to the public however, this was suspended due to Covid-19. Technology is being embraced at varying levels across the public sector to ensure openness and transparency of governance arrangements, but IJB Board meetings are still not accessible to the public.

72. Notwithstanding the relaxation of restrictions, the IJB should explore ways to enhance openness and transparency to meetings while public access is restricted.

Recommendation 4

The IJB should explore ways to enhance openness and transparency to meetings while public access is restricted by live-streaming meetings and publishing board papers on the website.

Arrangements are in place to secure Best Value

73. IJBs 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.

74. The Public Bodies (Joint Working) (Scotland) Act 2014 requires that an annual performance report is completed within four months of the year end. Guidance highlights that the report should cover areas including assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities, inspection of services, and a review of strategic commissioning plan (if applicable).

75. Following on from the previous year, the deadline for publication of the 2021/22 IJB Annual Performance report was extended in line with the Coronavirus (Scotland) Act 2020. This Act allowed public bodies to delay publication of such reports until 30 September 2022. The IJB's 2021/22 Annual Performance Report (which is yet to be approved by the IJB Board) was placed on the IJB's website at the start of October 2022.

76. We reviewed the 2021/22 Annual Performance Report and noted he progress being made against the strategic plan priorities. Although some activities have been impacted by Covid-19, the measures of success have identified good progress and improvements being made in a number of areas.

77. The Annual Performance Report also includes of a self-assessment template to demonstrate how the IJB is delivering best value and evidencing a periodic formal review against the best value framework.

78. The best value self-assessment template includes information on how the IJB ensures the management of resources is effective and sustainable; what steps are taken to ensure the quality of care and services provided is not compromised as a result of cost saving measures; and whether there is a culture of continuous improvement.

79. Overall, we have concluded that the IJB has good arrangements in place for managing and reporting performance. The report provides a comprehensive

and balanced overview of the year under review and provides prior years' performance information, to advise the reader of the direction of travel.

Revisions to the integration scheme are to be concluded

80. Integration schemes require to be updated every five years, this was due to be updated in 2021. The IJB is currently working on updating its integration scheme with all other IJBs and partner bodies across the Greater Glasgow and Clyde area, with the intention to present this to the IJB Board by the end of March 2023.

81. There are also plans in place to review and update the Scheme of Delegation to ensure that these remain relevant and fit for purpose.

Performance has declined compared to 2020/21 but this reflects reduced activity in the previous year due to the pandemic

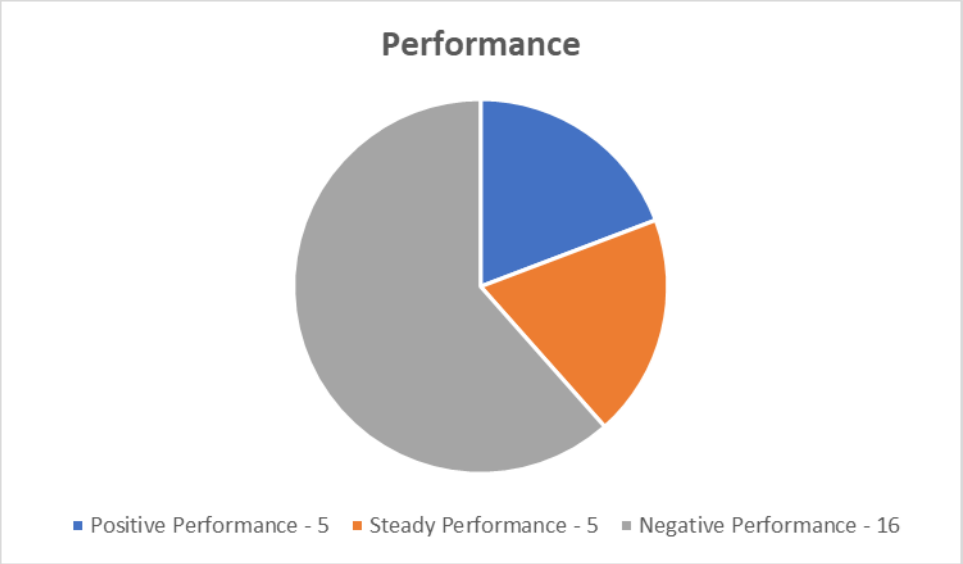
82. The pandemic was expected to have had a substantial impact on performance measures, particularly for services which have been temporarily suspended, are operating at a reduced level or have had to adapt to new ways of working.

83. 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.

84. The most recent Annual Performance Report for 2021/22 provides year on year trend analysis data for national, local and Ministerial Steering Group (MSG) performance indicators. The report shows of the 19 national indicators, 5 indicators show improved performance from the previous year whilst 11 indicators show declining performance. For the remaining 3 national indicators performance has remained the same as the previous year. Of the 7 MSG performance indicators, 5 show declining performance from the previous year while the remaining 2 indicators show steady performance from the previous year.

85. The IJB Board receives performance reports on a quarterly basis. These reports provide an update on performance against proposed targets and measures, with narrative to describe progress and actions for improvement. Although the IJB's 2021/22 Annual Performance Report has yet to be approved by the IJB Board, the performance of the twenty-six indicators (as detailed above) from this report is included at Exhibit 8 overleaf.

Exhibit 8
National and MSG performance indicators



Source: East Dunbartonshire Integration Joint Board 2021/22 Annual Performance Report

86. Performance levels are measured against a suite of key performance indicators relating to health and social care integration. The 2021/22 Annual Performance Update Report shows the IJB is performing well in the following areas:

- Percentage of adults supported at home who agree that they are supported to live as independently as possible
- Percentage of adults supported at home who agreed they felt safe
- Premature mortality rate for people aged under 75yrs per 100,000 persons.

87. However, there were also a number of areas where the IJB was not meeting the national targets, and was below the Scottish average, for example:

- Delayed discharge bed days - rate per 1,000 population
- Admissions from A&E – rate per 1,000 population
- Unplanned bed days - rate per 1,000 population.

88. Overall, we have concluded that the IJB has good arrangements in place for managing and reporting performance. It provides a comprehensive and balanced overview of the year under review and provides previous year's performance information where possible, to advise the reader of the direction of travel.

National performance audit reports

89. 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 3.

90. We noted that relevant national reports, including the Social Care briefing and the report on NHS in Scotland 2021, were considered by IJB Board members. The Chief Officer provided a briefing to members that explained how the finding and recommendations related to the specific circumstances of the IJB. We welcome this positive response to the national reports.

Appendix 1. Action plan 2021/22

2021/22 recommendations

Issue/risk	Recommendation	Agreed management action/timing
1. The unaudited Annual Accounts do not comply with the Local Authority Accounts (Scotland) Regulations 2014. The unaudited annual accounts did not fully comply with all aspects of the Local Authority Accounts (Scotland) Regulations 2014.	The IJB should ensure it has procedures in place to ensure that the unaudited annual accounts comply with the requirements of the Local Authority Accounts (Scotland) Regulations 2014. Exhibit 2	The process for producing the unaudited annual accounts will be reviewed with changes to the title page to reflect 'unaudited accounts', removal of final approval dates and the relevant sections signed by the Chief Finance and Resources Officer prior to submission to the external auditor. **Responsible Officer** - Chief Finance and Resources Officer **Date** - 31 March 2023
2. Potential budget deficit The Strategic Plan 2022-2025 has identified a budget deficit of £11.484 million over the next five years and will require to achieve savings of between £0.5 million and £3 million each year from 2022/23 onwards. **Risk** – Non-recurring savings are relied upon to bridge funding gaps which do not address the longer-term financial pressures of the IJB.	The IJB should continue to explore and progress transformational change with its partners. Paragraph 47	The IJB will continue to explore and progress transformational change options in collaboration with its partners through the financial planning process and development of annual delivery plans to support the Strategic Plan. **Responsible Officers** - Chief Officer, Heads of Service, Chief Finance and Resources Officer

Issue/risk	Recommendation	Agreed management action/timing
		Date - Ongoing, by 31 March each year.
3. Longer Term Financial Plans The medium 5-year financial strategy was presented to the IJB Board in June 2021. This covers the period 2022/23 to 2027/28. As services increase following the pandemic, and the implications for public services and funding become clearer, the IJB should seek to ensure it has a clear financial strategy underpinning its service priorities. Medium term planning has not progressed during the pandemic. **Risk:** The IJB is not planning adequately over the longer-term to manage or respond to significant financial risks	We would recommend that the medium-term plan is revisited to take account of the longer-term financial challenges facing the IJB Board. This will help the IJB Board to demonstrate the longer-term financial sustainability of planned services. Paragraph 48	The financial planning for the IJB will be reviewed annually and updated to reflect the most up to date cost implications and financial settlements anticipated from the Scottish Government (SG) to support these costs. 10-year financial projections are included in the 2022/23 to 2027/28 but acknowledges these become more uncertain over the 10-year period in the context of annual financial settlements from SG, uncertainty about costs given the volatility of health and social care budgets and the impending development of a national care service. **Responsible Officer** - Chief Finance and Resources Officer **Date** - Ongoing by 31 March each year
4. Public access to meetings of the Integration Joint Board During the Covid-19 disruption, meetings of the Integration Joint Board have been held virtually. The IJB meetings are still not accessible to the public. As the Covid-19 situation emerges, public bodies are increasingly using technology to ensure the public are able to observe meetings. In addition, the IJB Board and Performance, Audit and Risk	The IJB should explore ways to enhance openness and transparency to meetings while public access is restricted by live-streaming meetings and publishing board papers on the website. The IJB Board should ensure committee papers and details of committee meetings are made readily available to the public in advance of all meetings. Paragraph 72	The IJB will explore options for live streaming of meetings or a return to in person meetings. We will continue to ensure board papers are published on the website and are compliant with accessibility requirements. IJB and Performance, Audit and Risk Committee papers are available to end June 2022 on the website, we are continuing to work with the Council web team to resolve issues with accessibility and timeously getting these onto the website.

Issue/risk	Recommendation	Agreed management action/timing
Committee papers have not been uploaded to the website. **Risk:** The IJB is not meeting the requirements of openness and transparency.		**Responsible Officer** - Chief Finance and Resources Officer **Date** - Ongoing

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
PY1. Account's inspection advert The accounts inspection advert inaccurately advised objections could be sent to IJB officers when these should be directed to the auditor only. The advert also did not state when the inspection period was ending, and the objection end date was one working day too early. **Risk:** The IJB is in breach of the Local authority Accounts (Scotland) Regulations 2014.	The IJB should ensure it has procedures in place to ensure the accounts inspection advert is published in line with criteria set out in the Local Authority Accounts (Scotland) Regulations 2014.	**Complete** We reviewed the accounts inspection advert and confirmed that it complied with the Local Authority Accounts (Scotland) Regulations 2014.
PY2. Management Commentary The 2020/21 management commentary included a significant amount of detailed narrative. This can obscure the key messages for the reader. **Risk:** Reports are not readily accessible to users.	Management should review the format and content of the 2021/22 management commentary to make it more accessible for readers of the accounts. Officers should consider the appropriate use of infographics and trend analysis.	**Complete** Improvements have been made to the management commentary and annual governance statement to reduce superfluous information. Management should continue to seek opportunities to develop both areas further. For example, there remains scope to improve the presentation by using infographics rather than block text within the management commentary.

Issue/risk	Recommendation	Agreed management action/timing
PY3. Review of financial regulations The IJB's Financial Regulations were due for review in March 2020 however this review was not undertaken. The regulations should be reviewed periodically to confirm that they remain fit for purpose for the operations of the IJB. **Risk:** Key documents that govern the operational practices of the IJB are no longer fit for purpose.	The IJB Board should ensure that governance documents including the financial regulations are periodically reviewed to ensure they remain fit for purpose to the operation of the JIJB.	**Complete** These documents were reviewed in 2021/22 and the updated versions presented to members of the IJB Board for their consideration and approval.
PY4. Governance and Transparency The IJB Board and Performance, Audit and Risk (PAR) Committee papers are available on the IJB website. However, the Board should ensure these papers and details of meetings are made available to the public in advance of Committee meetings. **Risk:** There is a risk that IJB Board and PAR Committee meetings are not sufficiently open and transparent.	The IJB Board should ensure committee papers and details of committee meetings are made readily available to the public in advance of all meetings.	**In Progress** There have been no Board pr Performance Audit and Risk committee meetings papers or minutes uploaded for any 2022 meeting. There is a risk that IJB Board and PAR Committee meetings are not sufficiently open and transparent. Refer to recommendation 4 above
PY5. Long Term Financial Plans The IJB agreed to develop a long-term financial plan as part of its Strategic Plan 2018-2021, approved by the IJB Board in April 2018. A five-year financial plan has been approved by the Board, however a long-term financial plan has yet to be completed	The medium 5-year financial strategy was presented to the Board on 24 June 2021. This covers the period 2022/23 to 2027/28. We would recommend this is revisited to take account of the longer-term financial challenges facing the Board. This will help the IJB Board to demonstrate the longer-term	**In Progress** The IJB should continue to build upon its medium-term financial strategy by developing a longer-term financial strategy. Refer to recommendation 3 above

Issue/risk	Recommendation	Agreed management action/timing
and reviewed by the IJB Board. **Risk:** The IJB is not planning adequately over the medium to long term to manage or respond to significant financial risks.	financial sustainability of planned services.	
PY6. Efficiency Savings For 2020/21 the IJB board is required to deliver £6.072 million of efficiency savings. The board has yet to identify £2.1 million of the savings required for next year. Of those savings identified to date, some £0.52 million are considered high risk and may not materialise. **Risk:** The board may not be able to deliver the targeted savings in 2021/22.	The IJB reported an underspend of £12.040 million in 2020/21 due to additional Covid-19 funding The board should ensure that saving plans are developed identifying how the shortfall in the delivery of efficiency savings will be addressed in the future.	**Complete** Completed for 2021/22. To be considered as part of the annual and medium-term financial plans going forward.

Appendix 2. Audit dimension risks

The table below sets out the audit dimension risks that we identified in our 2021/22 annual audit plan together with a summary of the audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Audit dimension risks

Description of risk	Audit response to risk	Results and conclusions
1. Financial sustainability There remains uncertainty around financial sustainability as the wider impact of Covid-19 is not yet known. The IJB had an overall surplus of £12.040 million at the year-end. Despite this strong outturn position, there remains a risk to financial sustainability in the medium-term. The continuing financial impact of Covid 19 is uncertain and funding gaps of £0.449 million and £2.550 million are forecast for 2022/23 and 2023/24 respectively. Furthermore, the IJB's medium to long term financial plan should be reviewed in the context of emerging impacts from the Covid-19 pandemic both in terms of medium / longer term cost pressures as well as new ways of working which may be captured through transformation and service redesign.	Reviewed the financial monitoring reports to assess the financial position, including progress in realising efficiency savings. Monitored progress in developing a revised medium-term financial plan. Assessed the revised financial plan and conclude whether this includes appropriate scenario planning to address identified budget gaps and service pressures. Reviewed the IJB's year-end reserves position, including the earmarking of reserves	**Results:** The IJB has appropriate and effective financial management. Covid-19 funding of £16.552 million was received in 2021/22; £9.963 million was unspent at 31 March 2022 and is included in reserves to cover future costs. A medium-term financial plan has been developed and reflects the impact of Covid-19. The IJB has is projecting a budget deficit of £11.484 million over the period from 2022-27. **Conclusion:** The financial pressures faced by the IJB have been reflected in recommendations 2, 3 and PY5 in appendix 1

Risk: Added financial pressure in subsequent years as budgets become increasingly constrained.		
2. Service pressures arising from the pandemic The Covid-19 pandemic continues to place significant pressure on the provision of health and social care services delivered by the IJB. The unprecedented demand reflects the significant backlog of patients seeking services, with health concerns having been exacerbated by the pandemic. It is therefore vital that the 2018-21 Strategic Plan is updated to account for the additional Covid-19 pressures facing the IJB. **Risk:** Covid-19 pressures will impact on the IJB's ability to meet the levels of patient demand in East Dunbartonshire.	Reviewed the board's performance monitoring reports to assess the extent to which the board is meeting service performance targets and the demand for services in East Dunbartonshire. Reviewed the IJB's Strategic Plan 2022-2025.	**Results:** Performance has been covered in detail at paragraphs 73 to 88 of this report. **Conclusion:** The IJB has good arrangements in place for managing and reporting service performance.
3. Workforce pressures In common with other health and social care bodies, the IJB is facing significant workforce pressures. This is due to a combination of unfilled vacancies in both health and social care, but also high levels of staff absence due to the direct impact of Covid-19, or increasingly, wellbeing issues and individual health concerns that may have been exacerbated during the pandemic. **Risk:**	Monitor reports taken to the IJB and the Performance, Audit and Risk Committee in respect of workforce pressures. Review the financial monitoring and performance reports to identify issues arising due to workforce pressures. Reviewed the Workforce Plan.	**Results:** Workforce pressures have been covered in detail at paragraphs 55 to 57 of this report. **Conclusion:** The IJB is developing a 3-year Workforce Plan in tandem with the Strategic Plan 2022-2025 to ensure that it has a workforce available to deliver on the Plan. A key element will be retaining and developing the current workforce.

The IJB is unable to sustain services due to significant workforce pressures		
4. Review of Governance Documentation It is a statutory requirement that the local authority and health board carry out a review of the Integration Scheme within five years of the establishment of the IJB. This was last completed in June 2016. In addition, the Scheme of Delegation was last updated in August 2016 and the Financial Regulations were due for review in March 2020, but this review was not undertaken. **Risk:** Key documents that govern the operational practices of the IJB are no longer fit for purpose.	Monitor progress in the approval and implementation of the revised governance documents. Review the revised governance documents once available and ensure they are fit for purpose.	**Results:** Governance documentation has been covered at paragraphs 80 and 81. There are plans in place to review and update the Scheme of Delegation to ensure that these remain relevant and fit for purpose. The Financial Regulations were updated and approved by the Performance, Audit and Risk Committee in March 2022. The Integration Scheme is due to be finalised later in the year with work happening across NHS Greater Glasgow and Clyde and within timescales agreed with the Scottish Government. **Conclusion:** Progress reflected in the report above. Reviews need to be completed.

Source: Audit Scotland Annual Audit Plan 2021/22

Appendix 3. Summary of 2021/22 national performance reports and briefing 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

East Dunbartonshire Integration Joint Board

Proposed 2021/22 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

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AS.4.0

EAST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP
PERFORMANCE, AUDIT & RISK COMMITTEE

DATE OF MEETING:	**27th OCTOBER 2022**
REPORT REFERENCE:	**HSCP/271022/03**
CONTACT OFFICER:	**JEAN CAMPBELL, CHIEF FINANCE & RESOURCES OFFICER (07583902000)**
SUBJECT TITLE:	**EAST DUNBARTONSHIRE IJB ANNUAL AUDITED ACCOUNTS 2021/22**

8.0 PURPOSE

8.1 The purpose of this report is to present the East Dunbartonshire Health & Social Care Partnership Final Audited Annual Accounts 2021/22 for approval. These are contained in **Appendix 1**.

9.0 RECOMMENDATIONS

It is recommended that the Performance, Audit & Risk Committee:

2.2 Approve the Final Annual Audited Accounts for 2021/22 and authorise the Chair, Chief Officer and Chief Finance & Resources officer to accept and sign the Final Annual Accounts on behalf of the IJB.

CAROLINE SINCLAIR

CHIEF OFFICER, EAST DUNBARTONSHIRE HSCP

10.0 BACKGROUND/MAIN ISSUES

3.4 The IJB is specified in legislation as a "section 106" body under the terms of the Local Government Scotland Act 1973 and as such is expected to prepare annual accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom.

3.5 This will be the seventh set of Annual Report and Accounts produced for the HSCP Board.

3.6 LASAAC [The Local Authority (Scotland) Accounts Advisory Committee] has produced additional guidance on accounting for the integration of health and social care. The 2021/22 annual accounts for the IJB will be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (ACOP) and requirement of the International Financial Reporting Standards (IFRS).

3.7 Audit Scotland have also produced a good practice note on improving IJB Accounts and this has been reviewed in preparing the annual report and accounts.

3.8 Approval of Audited Accounts

- The regulations require that the audited annual accounts should be considered and approved by the IJB or a committee of the IJB whose remit includes audit and governance having regard to any report made on the audited annual accounts by the proper officer or external auditor by the 30 September immediately following the financial year to which the accounts relate. This has been extended to 30th November by the amended legislation in relation to the ongoing Covid-19 pandemic arrangements. In addition, any further report by the external auditor on the audited annual accounts should also be considered by the IJB or committee of the IJB whose remit includes audit and governance.

- The Performance, Audit & Risk Committee would normally consider the external auditors report and proposed audit certificate (ISA 260 report) prior to inclusion in the audited annual accounts.

3.9 In order to comply with the regulations, the ISA260 and a copy of the audited annual accounts, would be considered by the Performance, Audit & Risk Committee prior to the 30 September in the year immediately following the financial year to which they relate. The amended regulations have extended this to 30th November.

3.10 The regulations require a number of key documents (within the annual accounts) to be signed by the Chair of the IJB, the Chief Officer and the Chief Financial Officer, namely:

Management Commentary / Foreword	Chair of the IJB Chief Officer
Statement of Responsibilities	Chair of the IJB Chief Financial & Resources Officer
Annual Governance Statement	Chair of the IJB Chief Officer
Remuneration Report	Chair of the IJB Chief Officer
Balance Sheet	Chief Financial & Resources Officer

3.11 Year End Audit and Financial Performance

The unaudited accounts were submitted to the External Auditors by the 30th June 2022. There were a number of issues raised through the external audit review relating to the unaudited accounts were not in full compliance with the Local Authority Accounts (Scotland) Regulations 2014 in terms of the title of these accounts, the inclusion of dates and additional narrative not required at this stage in the process and the requirement for the Chief Finance & Resources Officers to sign parts of the unaudited accounts prior to passing these to external auditors. There were also issues raised regarding the potential budget deficit over the lifetime of the Strategic Plan and the need to continue to focus on service redesign and transformational change, the need for longer term financial planning beyond the five years on the medium 5-year financial strategy and continued issues with public accessibility to the meetings of the IJB. There were also some presentational changes highlighted which were updated following the annual clearance meeting with Audit Scotland providing the set of Final Annual Accounts included within this report.

3.12 It has been determined that the financial statements have been compiled in accordance with the regulations and the IJB has received an unqualified opinion on the Annual Accounts for the year ended 31 March 2022.

3.13 The Annual Accounts present a year end surplus position for the partnership of £14.146m against the partnership funding available for 2021/22. This includes unspent funding from Scottish Government received in year (to be carried forward to future years) in relation to Covid-19 funding, Adult Winter Planning Funding, Oral Health funding as well as recurring funding to support Primary Care Improvements, delivery of the Mental Health Strategy and Alcohol & Drugs monies un spent in year. Additional funding received during the later stages of the financial year mask the true extent of surpluses on revenue budgets during the year. Adjusting this position for in year movements in reserves provides an underlying surplus on budget of £3.142m for 2021/22 which has been reported throughout the year to the IJB through regular revenue monitoring updates.

3.14 The surplus on the partnership budget relates in part to social work services due to a continued reduced levels of care home placements for older people and care packages generally (residential, daycare, supported living) across older people and adult services at lower levels than anticipated for the year due largely to the continued impact of the Covid-19 pandemic. There has also been issues and delays in recruitment across key areas for health and social care along with surpluses on prescribing as activity continued to remain below pre covid-19 anticipated levels.

3.15 This has further enhanced the reserves position for the HSCP from a balance of £12.8m at the year ending 31 March 2021 to that of a balance of £26.99m at year ending 31 March 2022.

3.16 The detail of the partnership's financial performance across each care group area is set out on Page 25 of the Annual Accounts and the breakdown and movement in reserves detailed within note 10 on page 49.

11.0 IMPLICATIONS

The implications for the Committee are as undernoted.

4.1 Relevance to HSCP Board Strategic Plan 2022 – 2025 Priorities; - 12 (Key Enabler) Medium Term Financial and Strategic Planning. The Annual Accounts reflect the partnership performance for the year passed and detail the reserves position to contribute to the strategic priorities for the partnership.

4.2 Frontline Service to Customers – None

4.3 Workforce (including any significant resource implications) – None

4.4 Legal Implications – The Annual Accounts should be prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014 as modified by the Coronavirus (Scotland) Act 2020), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).

4.5 Financial Implications – The Annual Accounts provide the financial performance of the partnership for 2021/22 and sets the financial context within which the partnership will progress into future years. The performance during the year has generated a surplus on budget. A large element of this relates to balances to be taken to earmarked reserves to deliver on specific priorities for which funding was made available, however, the general surplus on budget will allow the IJB to further its general reserve to manage in year budget pressures and un planned events into future years and create some resilience to responding to these challenges.

4.6 Procurement – None

4.7 ICT – None

4.8 Corporate Assets - None

4.9 Equalities Implications – None

4.10 Sustainability – The Accounts outline the financial landscape within which the partnership operates and a view on the going concern and viability of the partnership moving forward. The financial position of the partnership is much improved and provides some resilience in the short / medium term to meet the ongoing financial challenges in relation to demand and cost increases going forward into future financial years. Work will continue in collaboration with Council Transformation colleagues to identify opportunities for future transformation and service redesign which ensure services are delivered within the financial framework available to the HSCP on a recurring basis.

4.11 Other – None

12.0 MANAGEMENT OF RISK

The risks and control measures relating to this Report are as follows:-

5.2 The annual accounts set out the key risks for the HSCP within page 20 of the management commentary. There are a number of financial risks moving into future years given the rising demand and cost pressures in the context of

reducing budgets which will require effective financial planning and service redesign to ensure financial balance as we move forward

13.0 IMPACT

6.5 **STATUTORY DUTY –** The IJB is specified in legislation as a "section 106" body under the terms of the Local Government Scotland Act 1973 and as such is expected to prepare annual accounts in compliance with the Local Authority Accounts (Scotland) Regulations 2014.

6.6 **EAST DUNBARTONSHIRE COUNCIL** - The Annual Accounts provide a picture of the financial position of the partnership. The reliance on identification of service redesign and transformation activity to deliver a balanced budget will require strong collaborative working to achieve a year on year balanced budget for the HSCP.

6.7 **NHS GREATER GLASGOW & CLYDE** - The Annual Accounts provide a picture of the financial position of the partnership. The reliance on identification of service redesign and transformation activity to deliver a balanced budget will require strong collaborative working to achieve a year on year balanced budget for the HSCP.

6.8 **DIRECTIONS REQUIRED TO COUNCIL, HEALTH BOARD OR BOTH –** No Direction Required

14.0 POLICY CHECKLIST

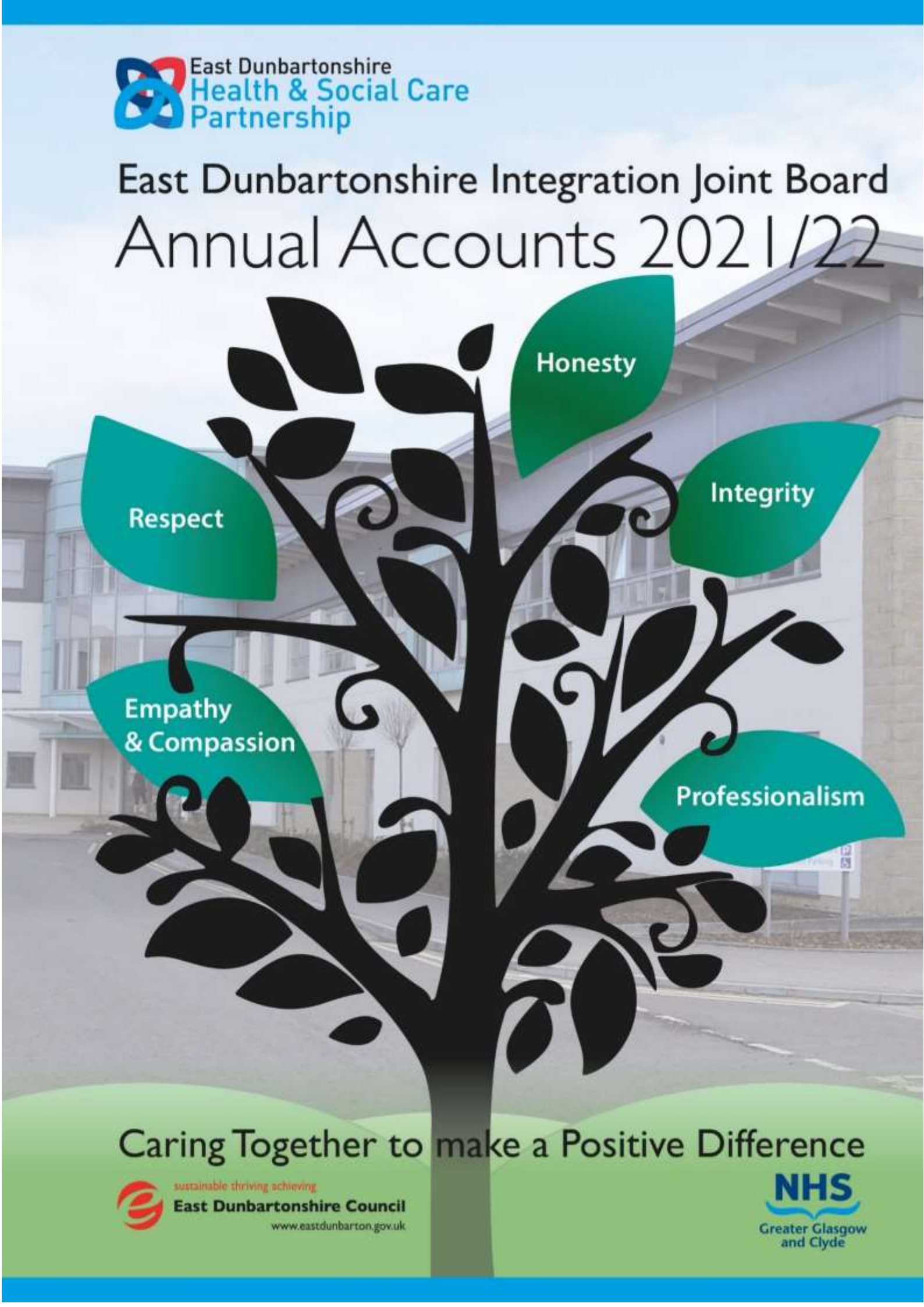
7.1 This Report has been assessed against the Policy Development Checklist and has been classified as being an operational report and not a new policy or change to an existing policy document.

8.3 APPENDICES

8.4 Appendix 1 – Annual Accounts ED HSCP 21-22

East Dunbartonshire
Health & Social Care
Partnership

East Dunbartonshire Integration Joint Board
Annual Accounts 2021/22



Caring Together to make a Positive Difference

sustainable thriving achieving
East Dunbartonshire Council
www.eastdunbarton.gov.uk

NHS
Greater Glasgow
and Clyde

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1.1 MANAGEMENT

Introduction

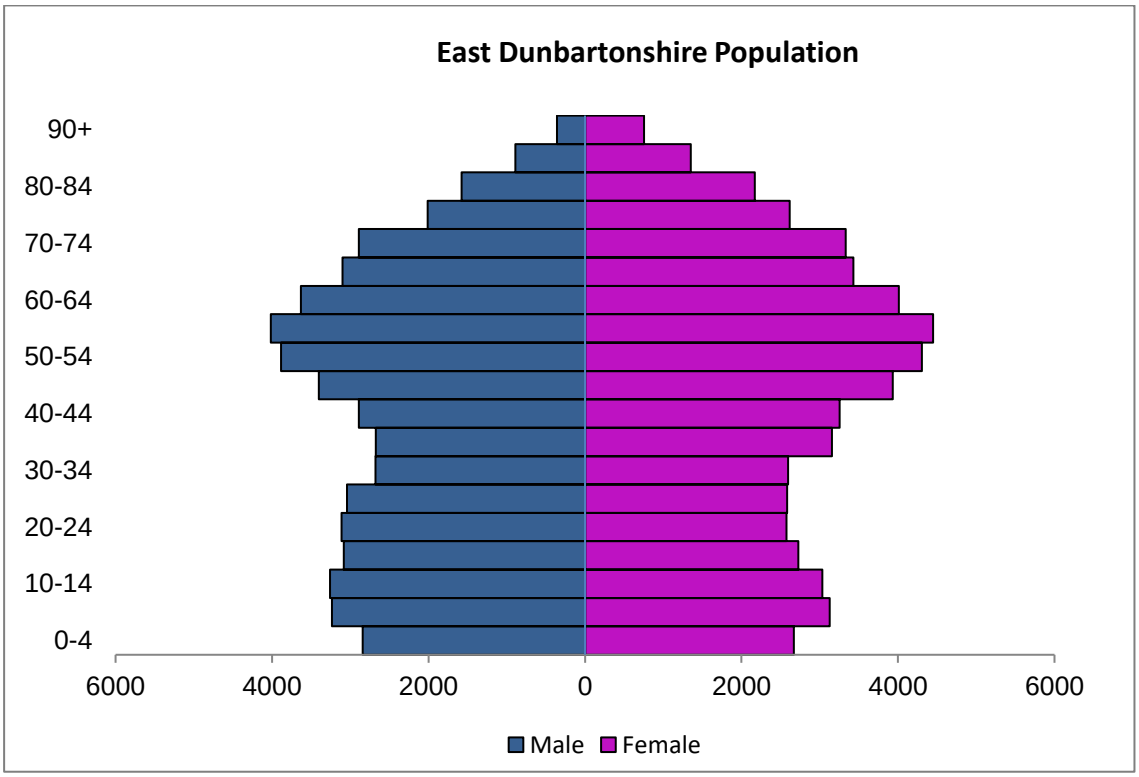
This document contains the financial statements for the 2021/22 operational year for East Dunbartonshire Integration Joint Board.

The management narrative outlines the key issues in relation to the HSCP financial planning and performance and how this has provided the foundation for the delivery of the priorities described within the Strategic Plan. The document also outlines future financial plans and the challenges and risks that the HSCP will face in meeting the continuing needs of the East Dunbartonshire population.

East Dunbartonshire

East Dunbartonshire has a population of approximately 108,640 (based on 2019 estimates, an increase of 0.3% on 2018 estimates) and is a mix of urban and rural communities. It has frequently been reported in quality of life surveys as one of the best areas to live in Scotland based on people's health, life expectancy, employment and school performance. Economic activity and employment rates are high and the level of crime is significantly below the Scottish average. Despite this, inequalities exist across the authority and there are pockets of deprivation where the quality of life falls well below the national average. The graph below shows how the population is split by gender:

Diagram 1: East Dunbartonshire Population Split by Gender

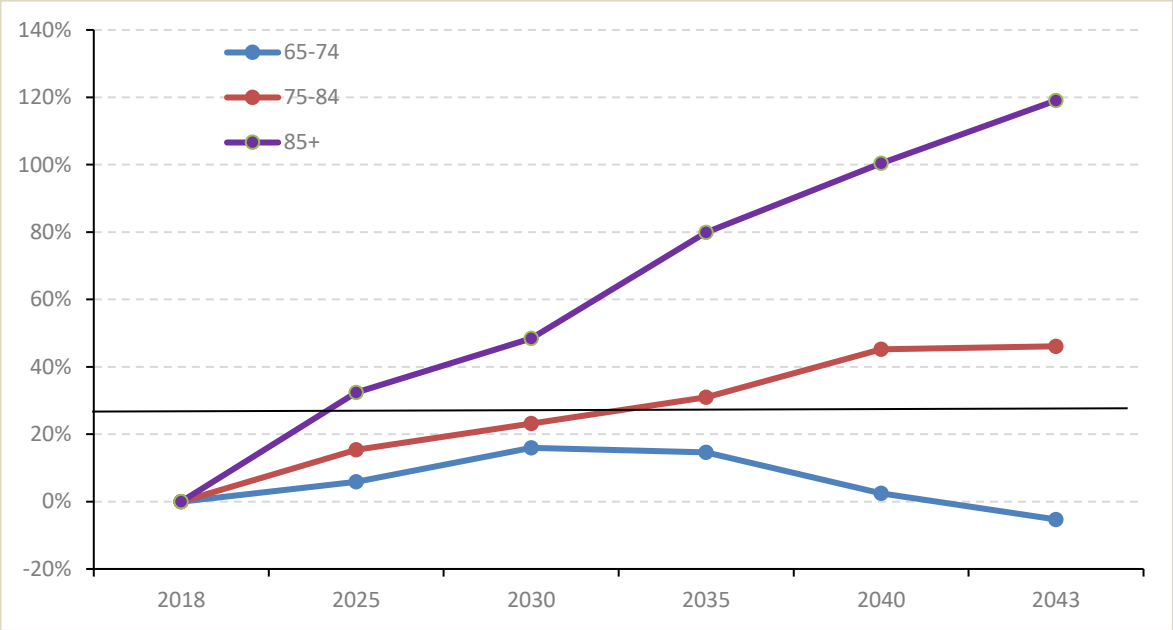


Source: NRS 2019 mid-year population estimate

The National Records of Scotland (NRS) population projections suggest there will be an increase of 7.6% in the overall population of East Dunbartonshire from 2018 – 2043 due to significant estimated rise in the population aged over 65 years.

The figure below shows the proportion of increase projected in the older population from 2018-2043. The largest increase is in individuals aged over 85yrs, which is projected to rise by over 100% from 3,203 to 7,017 people. This projected rise in East Dunbartonshire's older population, many of whom will be vulnerable with complex needs, suggests that demand for health and social care services will rise accordingly.

Diagram 2: East Dunbartonshire population projection % by age group 2018-2043



The demographic pressures for older people present particular challenges within East Dunbartonshire.

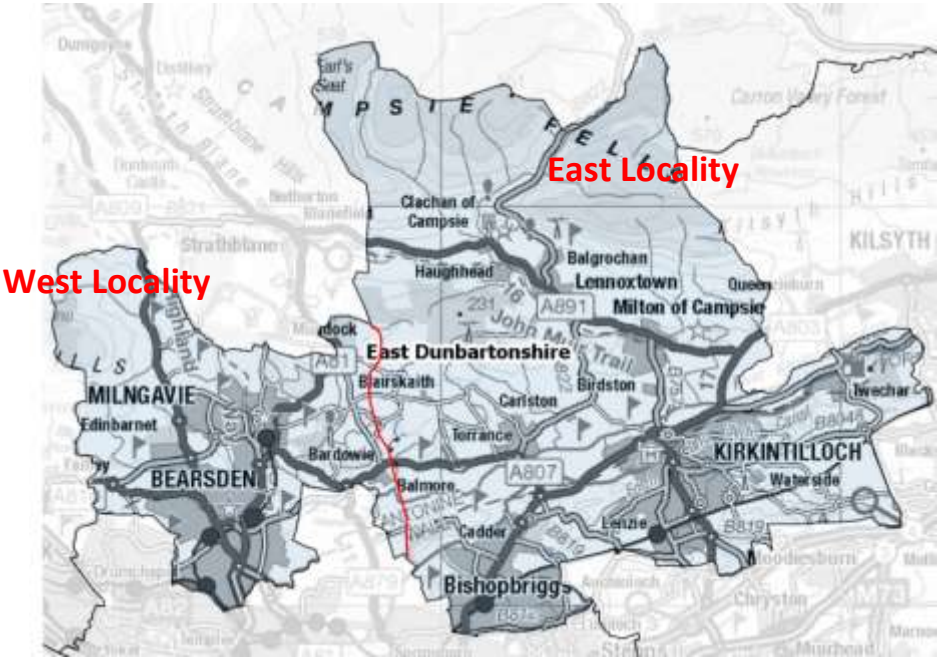
There has also been a significant increase in the number of children being referred to Social Work Services, with 40% increases in referrals reported in the Integrated Children's Services Plan. Non-engaging families was the most common area of concern alongside neglect, domestic violence and parental alcohol misuse. Child Protection registrations have doubled in the 10 years to 2018. There has also been a sharp rise in parental mental health being identified as a significant concern. This is an area of cross-cutting focus between children and adult services.

Demand on services for other adult care groups and for children's disability services has also increased. The number of young people with disabilities transitioning to adult services is experiencing a notable increase, both numerically and in terms of complexity. This can be demonstrated by an anticipated increase in the Adult Joint Learning Disability Team over the next three years as children move on into adult services equivalent to over 7% of its total caseload.

Localities

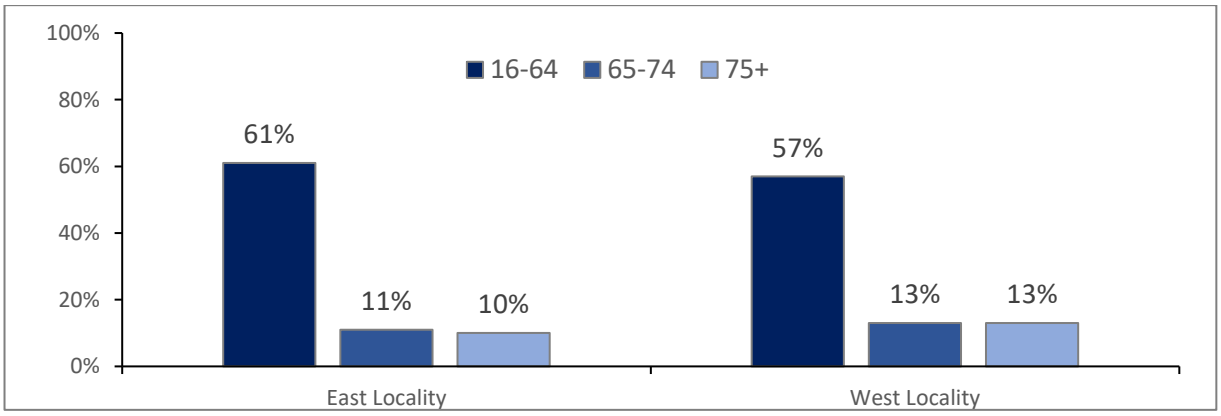
To allow the HSCP to plan and deliver services which meet the differing needs within East Dunbartonshire, the area has been split into two geographical localities; East Dunbartonshire (East), referred to as East locality and East Dunbartonshire (West), referred to as West locality.

Diagram 3: East Dunbartonshire Locality Map



The East Locality includes 62% (66,911) of East Dunbartonshire's population, while the West Locality accounts for 38% (41,729) of the population. The demographic breakdown by locality showed a slightly older population in the West locality for ages 65+.

Diagram 4: Population breakdown by locality 2019



Life Expectancy

The NRS publication showed that East Dunbartonshire continued to have the highest life expectancy at birth in Scotland for males and the second highest for females. The life expectancy of females at birth in East Dunbartonshire is around 3 years higher than males. Life expectancy at the age of 65 years was also higher than Scotland for both male and females in East Dunbartonshire.

Life expectancy and healthy life expectancy provide useful measures for planning services. Healthy life expectancy estimates the number of years an individual will live in a healthy state. Therefore, the number of years people are expected to live in 'not healthy' health is the difference between life expectancy and healthy life expectancy. Table 1 shows the number of years people

were estimated to live in 'not healthy' health, with East Dunbartonshire having a lower estimate than Scotland.

Diagram 5: Number of years 'not healthy' health (3-year average 2017-19)

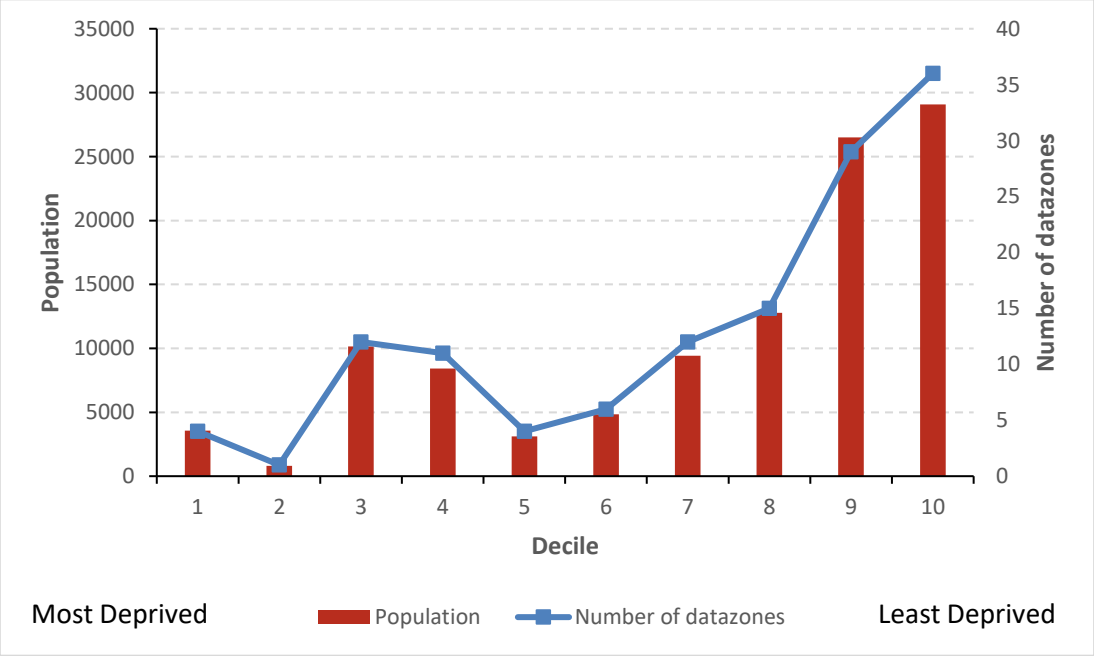
Local Authority	Expected period in 'not healthy' health	
	Males	Females
East Dunbartonshire	10.7	17.2
Scotland	15.4	19.2

Source: NRS

Deprivation

The Scottish Index of Multiple Deprivation (SIMD) ranked datazones, small areas with an average population of 800 people, from the most deprived to the least deprived. Using deciles, with 1 being the most deprived and 10 being least deprived, the chart below illustrates the number of people and datazones in each decile in East Dunbartonshire.

Diagram 6: East Dunbartonshire population by SIMD decile



Although the majority of the population lived in the least deprived deciles', there were 4 datazones areas in East Dunbartonshire categorised amongst the most deprived in Scotland, three in the Hillhead area of Kirkintilloch and one in Lennoxtown.

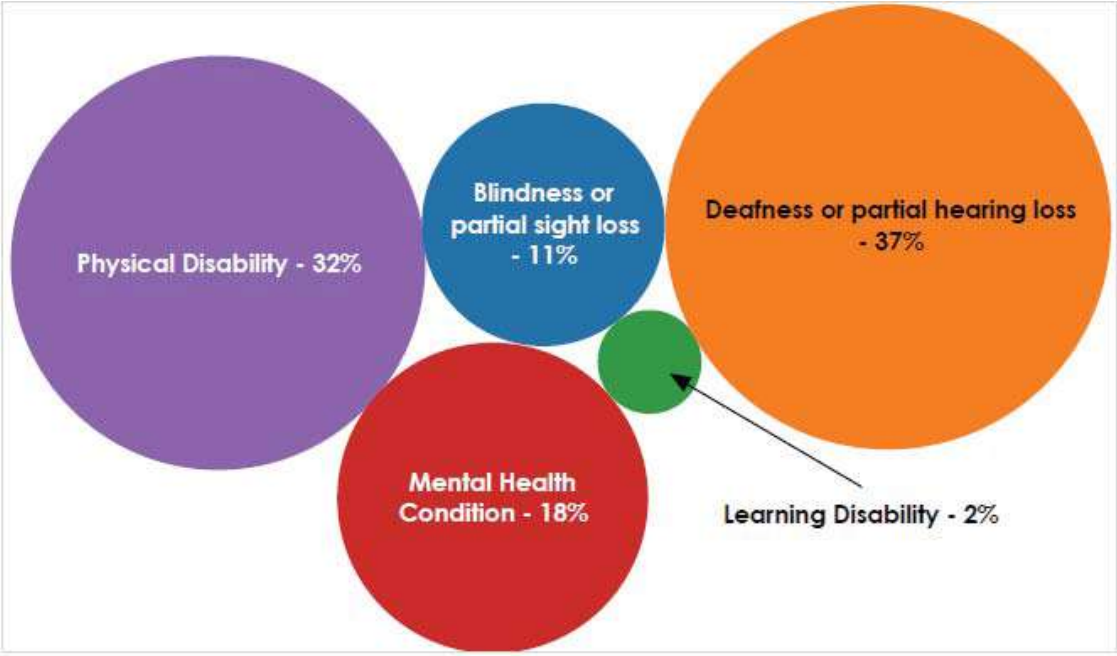
Population Health

In the Census in 2011 (the 2021 census has been delayed until 2022), 84.9% of East Dunbartonshire residents described their health as good or very good (Scotland 82.2%). This was the highest at 98% among the younger population (0-29yrs) but the percentage decreased with age to only 62% of those aged 75yrs and above describing their health as good or very good. In

the West Locality, 66% of people aged 65yrs and above described their health as good or very good, compared to 57% in the East Locality.

The 2011 Census included a question on particular disabilities including sensory impairment, physical disability, mental health condition or learning disability. There were 5.6% of the adult population in East Dunbartonshire who reported a disability (Scotland 6.7%).

Diagram 7: Reported Disability by Percentage in East Dunbartonshire



The number of long term conditions rises with age and we need to support those with complex needs so that they may manage their conditions and lead an active, healthy life. The most diagnosed long term condition in East Dunbartonshire is hypertension. The prevalence for this condition, cancer and atria fibrillation, are all notably higher than the rate for Scotland.

Analysis of the Burden of Disease study indicates that years of life lost to disability and premature mortality in East Dunbartonshire is the second lowest in Scotland. This is understood to be a reflection of relatively low deprivations levels across the authority as a whole. East Dunbartonshire experiences above average prevalence of Parkinson's certain cancers, certain respiratory diseases, certain digestive diseases, sensory conditions and self-harm (the latter for all ages).

The Health and Social Care Partnership

East Dunbartonshire HSCP is the common name of East Dunbartonshire Integration Joint Board. It was formally established in September 2015 in accordance with the provisions of the Public Bodies (Joint Working) (Scotland) Act (2014) and corresponding Regulations in relation to a range of adult health and social care services. The partnership's remit was expanded from an initial focus on services for adults and older people to include services for children and families, and criminal justice services in August 2016.

The HSCP Board, East Dunbartonshire Council (EDC) and NHS Greater Glasgow and Clyde (NHSGGC) aim to work together to strategically plan for and provide high quality health and social care services that protect children and adults from harm, promote independence and deliver positive outcomes for East Dunbartonshire residents.

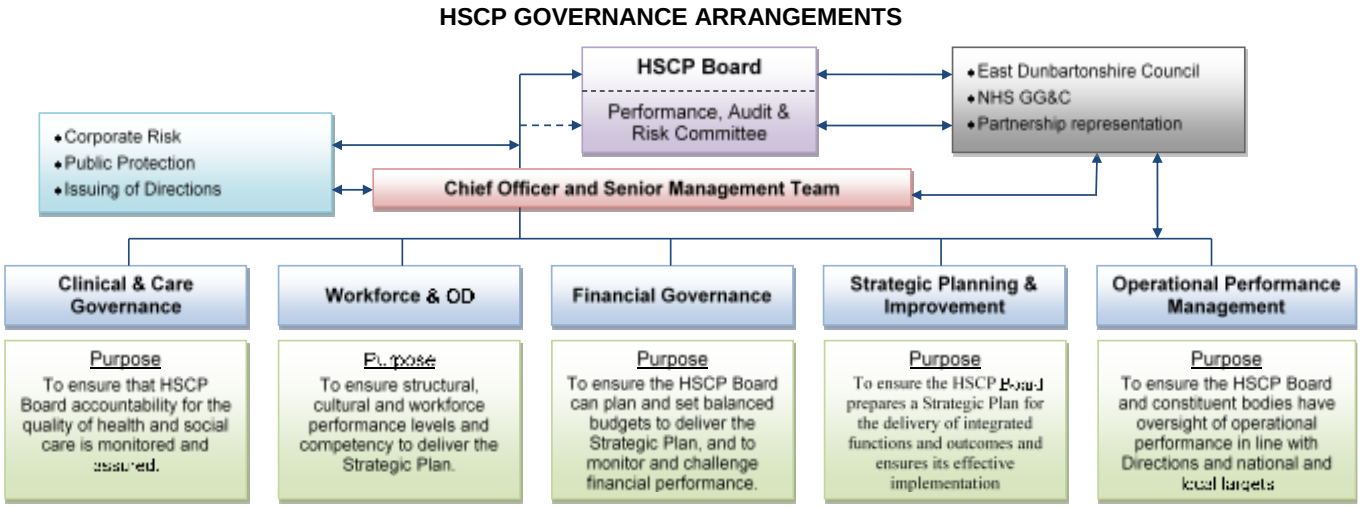
East Dunbartonshire HSCP Board has responsibility for the strategic planning and operational oversight of a range of health and social care services whilst EDC and NHSGGC retains responsibility for direct service delivery of social work and health services respectively, as well as remaining the employer of health and social care staff. The HSCP Chief Officer is responsible for the management of planning and operational delivery on behalf of the Partnership overall.

Members of the Board for the period 1 April 2021 - 31 March 2022 were as follows:

Voting Board Members 2021/22	Organisation
Jacqueline Forbes (Chair from 25 June 2021, Vice Chair until 24 June 2021)	NHSGGC Non - Executive Director
Ian Ritchie	NHSGGC Non-Executive Director
Ketki Miles	NHSGGC Non-Executive Director
Jim Goodall (Vice Chair from 25 June 2021)	EDC Councillor
Alan Moir	EDC Councillor
Sheila Mechan	EDC Councillor
Susan Murray (Chair until 24 June 2021, no longer a board member from that date)	EDC Councillor
Non-Voting Board Members	**Organisation**
Caroline Sinclair – Chief Officer/Chief Social Work Officer	EDC
Jean Campbell – Chief Finance and Resources Officer	NHSGGC
Paul Treon – Clinical Director	NHSGGC
Leanne Connell – Chief Nurse	NHSGGC
Adam Bowman – Acute Representative	NHSGGC
Ann Innes – Voluntary Sector Representative	East Dunbartonshire Voluntary Association
Gordon Cox – Service User Representative	
Fiona McManus – Carer Representative	
Allan Robertson – Trades union Representative	NHSGGC
Craig Bell – Trades Union Representative	EDC

Diagram 8 (below) HSCP Governance Arrangements

This represents accountability and governance arrangements for the planning and delivery of community health and social care services.



(This framework includes all delegated hosted services)

Our partnership vision is "Caring Together to make a Positive Difference" and is underpinned by 5 core values as set out below.

Diagram 9: Tree of Core Values

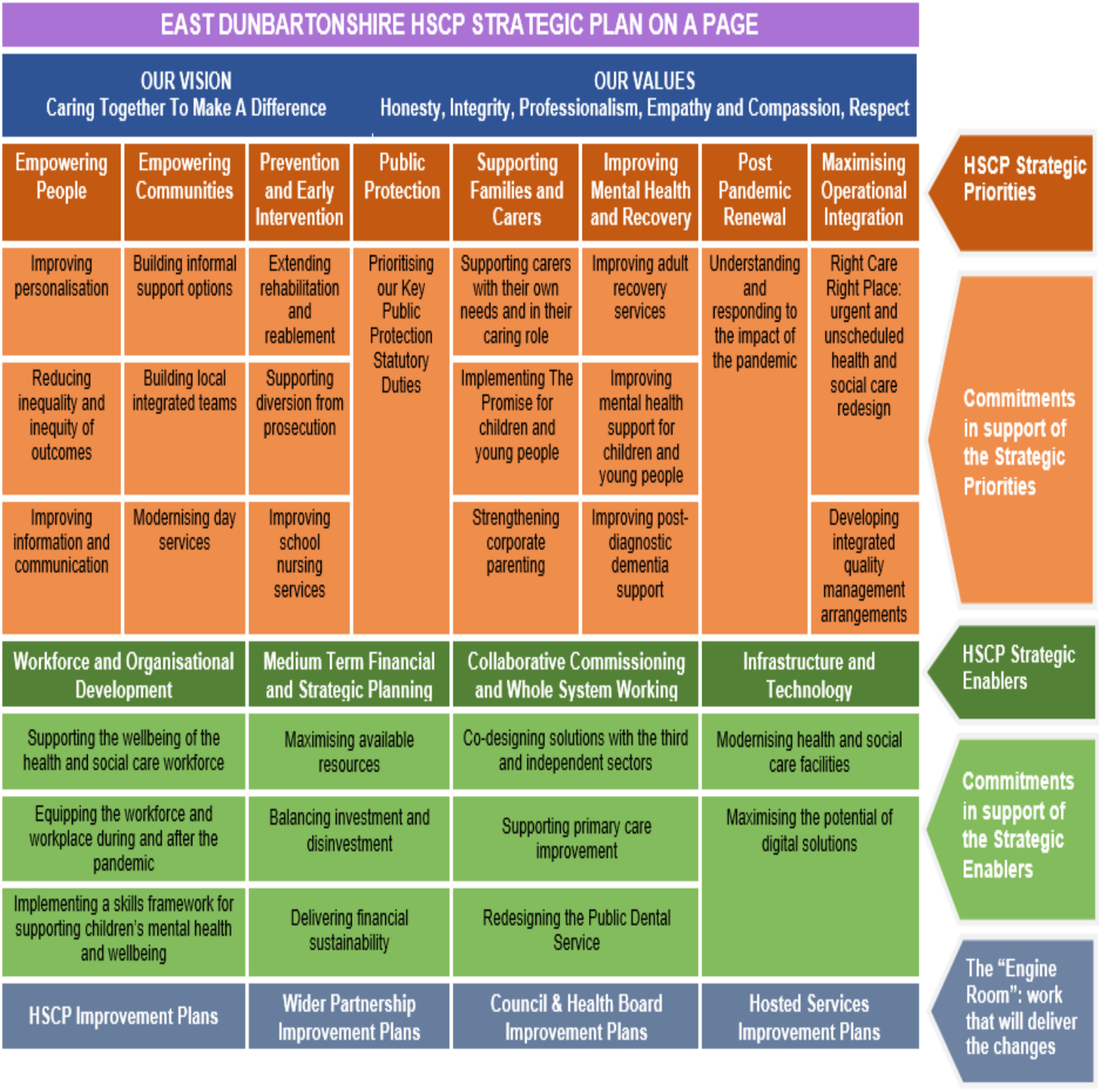


The Strategic Plan

Our current Strategic Plan covers the period 2022 – 2025 and sets out eight strategic priorities which describe our ambitions to build on the significant improvements already achieved and to further improve the opportunities for people to live a long and healthy life, provide early support to families and young children and focus service on those most vulnerable in our communities.

The illustration below provides an overview of the Strategic Plan 2022-25. It shows the relationship between the strategic priorities and enablers and the actions that will be taken forward in support of these. A copy of the Strategic Plan 2022-25 can be found on the HSCP Website: East Dunbartonshire Health and Social Care Partnership Board | East Dunbartonshire Council.

Diagram 10: HSCP Strategic Plan on a Page



It is important to acknowledge that the landscape of health and social care has changed markedly in the few short years since the last plan was published. Our aspiration to improve and develop

services and partnerships in our Strategic Plan for 2018-21 was affected significantly by financial pressures, which were shared with the Health Board and Council. This was compounded by increasing demand pressures, both in terms of increasing volume and increasing complexity of levels of care. The impact of the Covid-19 pandemic has been substantial and may be felt over the full period of this new Strategic Plan. For these reasons, this Strategic Plan has aspirations based on the realities of the pressures being faced in the health and social care sectors and building towards a fair, equitable, sustainable, modern and efficient approach to service delivery.

Some of these areas of redesign with take longer than the three years of this Strategic Plan to deliver. Unless new resource streams are forthcoming, any requirement to invest further in one service area will require greater efficiency or disinvestment in another. Implementing the Plan will also continue to be based on certain assumptions and dependencies that can in reality be fragile. Where we do have new funding streams, we want to:

- Invest in early intervention and prevention;
- Empower people and communities by encouraging more informal support networks at a local level;
- Ensure that people have access to better information earlier, to allow them to access the right support at the right time, from the right person.

These developments should deliver better outcomes for people and will also make for a more efficient, sustainable system of care and support.

It is predicted we will continue to see significant change in the make-up of our growing population, with an increase in people living longer with multiple conditions and complex needs who require health and social care services. This rise in demand is expected to increase pressure on financial resources, rendering current models of service delivery unsustainable. We have shaped this plan to move in a strategic direction that is responsive and flexible for the future.

This is further supported by a HSCP Annual Delivery Plan outlining the key priorities for service redesign and improvement in delivery of the Strategic Plan and is supported by a range of operational plans, work-streams and financial plans to support delivery. This is also the vehicle through which the HSCP will seek to deliver financial sustainability over the short to medium term by reconfiguring the way services are delivered within the financial framework available to it.

The Strategic Plan also links to the Community Planning Partnership's Local Outcome Improvement Plan (LOIP) whereby the HSCP has the lead for, or co-leads:

- Outcome 3 – "Our children and young people are safe, healthy and ready to learn",
- Outcome 5 – "Our people experience good physical and mental health and well being with access to a quality built and natural environment in which to lead healthier and more active lifestyles" and
- Outcome 6 – "Our older population and more vulnerable citizens are supported to maintain their independence and enjoy a high quality of life, and they, their families and carers benefit from effective care and support services".

Covid-19 Pandemic Impact and Response

The HSCP has been actively responding to the Covid-19 pandemic since March 2020. As the situation has changed over the last 2 years, the HSCP has responded to changes in restrictions, lockdowns and frequently changing guidance on a range of Covid-19 related matters issued to health and social care from Scottish Government (SG), Health Protection Scotland and other bodies. Critical frontline services have continued to be delivered during this period and the HSCP has been able to respond quickly in providing additional support to services with additional funding made available through the SG to meet any Covid-19 related financial commitments.

In addition, the HSCP has been required to deliver new services with partners to support the national response to the pandemic including:-

- Roll out of the Covid-19 vaccination programme to the most vulnerable
- Enhanced support arrangements to support local care home sector
- Distribution of PPE and testing kits to our own services and those delivered by the third, independent sector and unpaid carers
- Supporting staff and communities health and wellbeing during the pandemic
- Financial support to vulnerable children and families
- Continued contribution to the development of Mental Health Assessment Units to minimise attendance of Mental Health patients at Emergency Departments and also deliver a streamlined service for assessments
- Continued additional financial support to third and independent social care providers who are key to our response to the pandemic

A number of services which were suspended during Covid-19 related predominantly daycare and respite services across older people and adult services. These tended to be building based services to vulnerable care groups which were closed during the Covid-19 peaks and have gradually re-opened with reduced numbers in line with social distancing guidance to support some of our highest risk individuals.

Funding consequences

The HSCP's response to the Covid-19 pandemic has resulted in additional costs being incurred, including short term costs such as those relating to increased demand for care, staffing and PPE costs. The HSCP, along with all other HSCPs, was required to submit Local Mobilisation Plans (LMPs) to Scottish Government, outlining the actions being taken in response to the Covid-19 situation. This is supported by further detail which is submitted on a regular basis through the health board to the Scottish Government, detailing the financial costs associated with these actions. These costs are being separately tracked internally for monitoring and reporting purposes and to help secure additional funding available. For the HSCP this additional funding was necessary to supplement the earmarked reserves held for the purposes of supporting Covid-19 related expenditure during 2021/22.

Longer term funding impacts are difficult to comment on at this stage, as future funding settlements are subject to a greater degree of uncertainty and the longer term impacts on costs are also highly uncertain. Although it is expected that there will be significant changes in demand pressure patterns as a result of Covid-19, mapping and quantifying these is difficult as there remains much unknown regarding the medium and long term impacts of the pandemic. Demand trends will be closely monitored for any implications for future service delivery.

The HSCP recognises that the pandemic is a health crisis, social crisis, and economic crisis of unprecedented scale, with profound and permanent implications for our society. The crisis has brought about significant developments in, and embedding of, remote and digital ways of working

that will be utilised throughout the pandemic and beyond. The full practical implications of the pandemic on society's expectations of care providers, the HSCP's demand for services, service users and ways of working in the medium and long term are not yet fully apparent but will continue to be assessed as the situation evolves and further government advice becomes available.

HSCP BOARD OPERATIONAL PERFORMANCE FOR THE YEAR 2021/22

Performance is monitored using a range of performance indicators outlined in a performance management framework with quarterly performance reports to the HSCP Board. Service uptake, waiting times and other pressures are closely reviewed and any negative variation from the planned strategic direction is reported to the HSCP Board through exception reporting arrangements which includes reasons for variation and planned remedial action to bring performance back on track.

Performance is generally categorised as Green (on track or complete), Amber (some risk or delays to delivery) or Red (more significant risks to delivery / not delivered).

A full report on performance will be outlined within the East Dunbartonshire HSCP Annual Performance Review 2021/22. Publication of the Annual Performance Review (APR) is normally in place by the end of July each year, but production of APRs have provision to defer under the Coronavirus (Scotland) Act 2020. The APR for East Dunbartonshire will be presented to the HSCP Board for approval in September 2022. As an interim measure, a summary of key performance across HSCP functions and services will be reported to the HSCP Board in June 2022.

Notwithstanding the deferral in the production of HSCP APRs, the timing of the preparation of this set of Annual Accounts is ahead of the publication of national performance data for Core Integration Indicators. However transformational change and other qualitative performance updates do relate directly to the 2021/22 period.

Headline performance is summarised below under the following headings:

- National Core Qualitative Outcome Indicators and experience data (most recent data)
- National Data Indicators
- HSCP Delivery Plan activity 2021-22
- *Summary of service-level and activity performance against targets and standards*

National Health and Wellbeing Survey 2021 (most recent: collected biennially)

	Positive Responses (%)

Table 1: National Core Qualitative Outcome Indicators	East Dunbartonshire	Scotland
Percentage of adults aware of the help, care and support options available to them	50%	53%
Percentage of adults supported at home who agree that they had a say in how their help, care or support was provided	59%	55%
Percentage of adults who agree that people took account of the things that mattered to them	66%	62%
Percentage of adults treated with compassion and understanding	79%	70%
Percentage of adults who agreed they felt safe	75%	67%
Percentage of adults supported at home who agree that they are supported to live as independently as possible	71%	65%
Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated	57%	54%
Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	68%	62%
Percentage of people with positive experience of the care provided by their GP practice	69%	67%
Percentage of carers who feel supported to continue in their caring role	30%	30%
Percentage of adults who rated their care or support services positively overall (excluding informal care)	69%	62%

Table 2: National Data Indicators	2019-20	2020-21	National Rank
Premature mortality rate for people aged under 75yrs per 100,000 persons *	300	305	1
Emergency admission rate (per 100,000 population)	11,262	10,102	10
Emergency bed day rate (per 100,000 population)	107,901	101,132	18
Readmission to hospital within 28 days (per 1,000 population)	73	82.6	2
Proportion of last 6 months of life spent at home or in a community setting	89%	90.1%	14
Falls rate per 1,000 population aged 65+	25	21.7	17
Proportion of care services graded ‘good’ (4) or better in Care Inspectorate inspections	90%	82.5%	6
Percentage of adults with intensive care needs receiving care at home *	66%	59.6	21
Number of days people aged 75+ spend in hospital when they are ready to be discharged (per 1,000 population)	325	305.6	11
Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency *	22%	19.6%	11

**Data for 2019 calendar year*

Table 3: HSCP Delivery Plan 2021-22
(local transformational change and Best Value improvement activity during 2021/22. This activity was curtailed due to critical pandemic response pressures)

Completed Initiatives	Contribution to Strategic Plan (SP) Priorities
Learning Disability: service review, action plan and implementation	All SP priorities
Older People's Day Services: service review, action plan and implementation	SP Priorities:1, 2
Recovery Services commissioned service review, action plan and implementation	SP Priorities:1, 2, 3, 4
Covid-19: critical response, transition and recovery	All SP Priorities
Strategic Plan 2022-25 development	All SP Priorities
Community Led Locality Services	SP Priorities:1, 5, 8
Children's emotional wellbeing and mental health – implement framework	All SP Priorities
Outcome focused approach to Justice delivery	SP Priorities:1, 2, 4, 5
Ongoing Initiatives	**Contribution to Strategic Plan Priorities and LOIPs**
Digital Health and Care Action Plan: development and implementation	SP Priorities: 4, 5, 8
Property Strategy: development and implementation	SP Priorities: 8
Dementia Strategy	SP Priorities:1, 2, 3, 4, 5, 7, 8
Primary Care Improvement Plan	SP Priorities:1, 3, 4, 5, 8
Fair Access to Community Care Policy	SP Priorities:1, 2, 4, 5, 6, 7, 8

Unscheduled Care

There is a delay of some months for published national unscheduled care performance by Public Health Scotland, so full year performance data is not yet available for this. However, NHS Greater Glasgow and Clyde records more up-to-date unscheduled care activity and performance data, which can be used at this stage to report performance locally. Using this local data, a summary of unscheduled care performance is shown in Table 4 below. Unscheduled care activity has greatly affected by the pandemic. Activity returned to more normal levels over the course of 2021-22, so it is difficult to attribute activity changes to performance impact in the normal sense. Like for like comparison with previous years and evaluation of impact associated with pre-existing improvement planning activity is therefore very difficult to achieve for this particular reporting year.

Table 4: Data Summary: April 2021 to March 2022

Measure	Actual (Full Year 21-22)	Target (Full Year 21-22)	Target RAG*	Rank in GGC (Full Year 21-22)
Emergency Dept. Attendances (18+)	18,196	19,674		2
Emergency Admissions (18+)	9,027	9,403		3
Unscheduled bed days (18+)	86,764	80,723		3
Delayed discharge bed days (all ages)	5,285	4,838		3

(Source: NHSGGC - East Dunbartonshire HSCP Analysis)

Table 5: Summary of other HSCP Performance against Standards and Targets: 2021/22

The HSCP re-introduced the summary RAG rating in its quarterly performance reports for 2021/22, but caution should continue to be applied to interpretation. Where activity is clearly and significantly impacted by the pandemic, this is represented by a white rating.

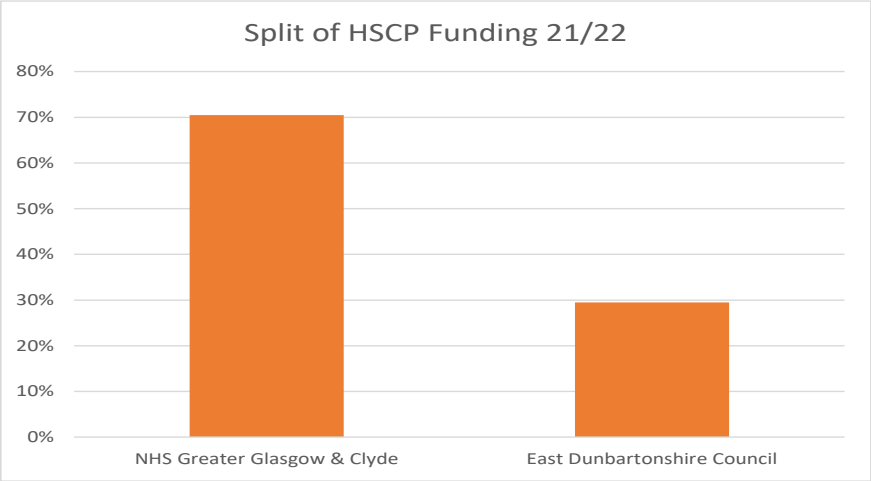
Indicator / Measure	RAG Rating
Number of homecare hours per 1,000 population 65+	✓
% of People 65+ with intensive needs receiving care at home	✓
% of Service Users 65+ meeting community care assessment to service delivery waiting times target (6 weeks)	✓
Number of people 65+ in permanent care home placements	○
% of Adult Protection cases where timescales are met	✓

% of people waiting <3 weeks for drug and alcohol treatment	○
% of people waiting <18 weeks for psychological therapies	✓
% of people newly diagnosed with dementia receiving post diagnostic support	○
Total number of alcohol brief interventions delivered (cumulative)	○
Smoking quits at 12 weeks post quit in the 40% most deprived areas	○
Child and Adolescent Mental Health Services (CAMHS) waiting times	○
Child Care Integrated Assessments (ICAs) submission timescales to Reporters Administration	✓
% of initial Child Protection case conferences taking place within 21 days from receipt of referral	▲
% of first Child Protection review conferences taking place within 3 months of registration	✓
% of children being Looked After in the community	■
% of first Looked After and Acccommodated Children (LAAC) reviews taking place within 4 weeks of accommodation	✓
% of children receiving 27-30 months assessment	✓
% of individuals beginning a work placement within 7 days of receiving a Community Payback Order	✓
% of Criminal Justice Social Work reports submitted to court on time	✓
% of court report requests allocation to a social worker within 2 days	✓
NHS Knowledge and Skills Framework and Council Performance Development Review achievement against target	○

HSCP BOARD'S FINANCIAL POSITION AT 31 MARCH 2022

The activities of the HSCP are funded by EDC and NHSGGC who agree their respective contributions which the partnership uses to deliver on the priorities set out in the Strategic Plan.

Diagram 11: Split of HSCP Funding 2021/22



The scope of budgets agreed for inclusion within the HSCP for 2021/22 from each of the partnership bodies were:-

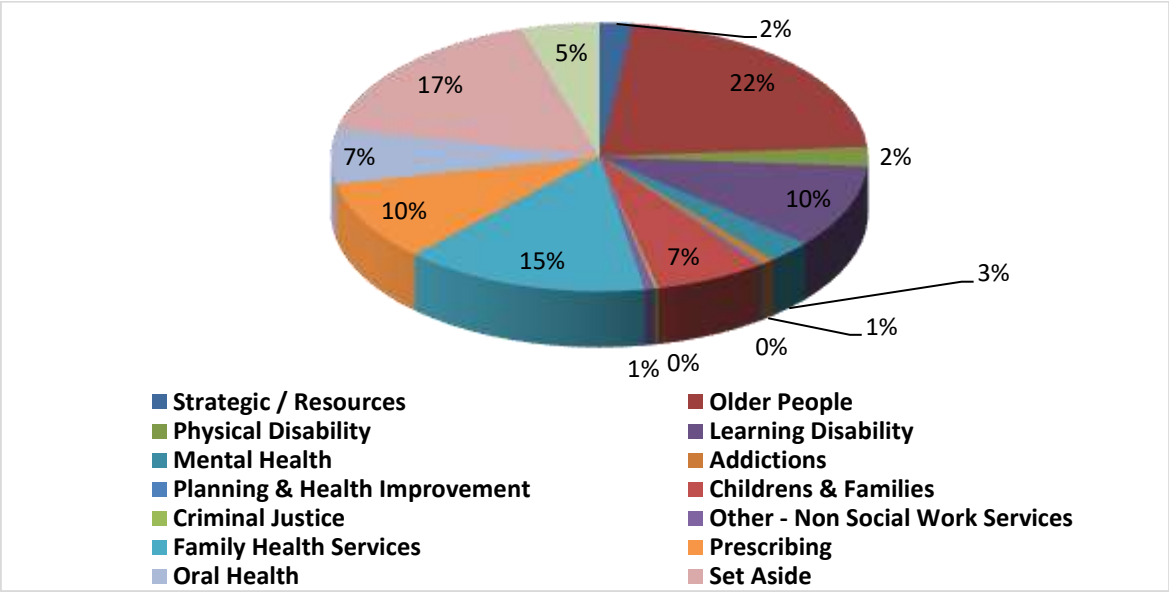
HSCP Board Budgets 2021/22 (from the 1 April 2021 to the 31 March 2022)

	Original Budget 2021/22 £000	In Year Adjustments £000	Final Budget 2021/22 £000
Functions Delegated by East Dunbartonshire Council	58,401	4,352	62,753
Functions Delegated by NHSGGC	84,678	29,299	113,977
Set Aside – Share of Prescribed Acute functions	33,712	2,270	35,982
TOTAL	**176,791**	**35,921**	**212,712**

The increases to the original budget for 2021/22 relate largely to non-recurring funding allocations during the year relating to oral health, family health services and Scottish Government funding to support alcohol and drugs, primary care improvements and Action 15 mental health monies. A significant increase for 2021/22 related to Covid-19 funding from the Scottish Government to support Covid-19 related expenditure across health and social care budgets in addition to the reserves held by the HSCP for this purpose. This was routed in its entirety through the health element of the HSCP budget with funding transferred to the local authority to support social work expenditure as required. This funding will ultimately further the HSCP Covid-19 reserves to support Covid-19 expenditure in 2022/23.

The budget is split across a range of services and care groups as depicted below:-

Diagram 12: Care Group Budget 2021/22



HOSTED SERVICES

East Dunbartonshire HSCP is one of six in the Greater Glasgow and Clyde area. Some health services are organised Greater Glasgow-wide, with a nominated HSCP hosting the service on behalf of its own and the other five HSCPs in the area. The Health Budget includes an element relating to Oral Health Services (£14m) which is a service hosted by East Dunbartonshire HSCP and delivered across the other five partnership areas within NHSGGC's boundaries.

The full extent of this budget is reflected in these accounts as prescribed within the Integration Scheme. There are services hosted within other NHSGGC partnerships which have similar arrangements and which support the population of East Dunbartonshire.

Diagram 13: The extent to which hosted services delivered across Greater Glasgow and Clyde are consumed by the population of East Dunbartonshire

2020/21 £000	Service Area	2021/22 £000
545	MSK Physio	524
52	Retinal Screening	52
180	Podiatry	183
324	Primary Care Support	324
399	Continence	412
667	Sexual Health	646
909	Mental Health Services	862
19	Augmentative and Alternative Communications	22
808	Oral Health	831
906	Addiction	833
166	Prison Healthcare	177
187	Healthcare in Police Custody	199
2,615	General Psychiatry	2,497
1,256	Old Age Psychiatry	1,080
9,033	**Total Cost of Services consumed within East Dunbartonshire**	**8,642**

The levels of expenditure have decreased in a number of areas since 2020/21 due to the inclusion of Covid-19 related expenditure which has been re-categorised or has reduced during 2021/22.

SET ASIDE BUDGET

The set aside budget relates to certain prescribed acute services including Accident and Emergency, General Medicine, Respiratory care, Geriatric long stay care etc. where the redesign and development of preventative, community based services may have an impact and reduce the overall unplanned admissions to the acute sector, offering better outcomes for patients and service users.

Work continues to be progressed in relation to the sum set aside for hospital services; however, arrangements under the control of Integration Authorities are not yet operating as required by the legislation and statutory guidance. Each Health Board, in partnership with the Local Authority and Integration Authority, must fully implement the delegated hospital budget and set aside budget requirements of the legislation, in line with the statutory guidance published in June 2015. To date work has focused on the collation of data in relation to costs and activity and the development of an Unscheduled Care Commissioning Plan which will set the priorities for the commissioning arrangement for un-scheduled care bed usage across NHSGGC.

An allocation has been determined by NHSGGC for East Dunbartonshire of £35.982m for 2021/22 in relation to these prescribed acute services. Actual figures are now based on a much more detailed approach including actual spend and activity for each year.

The set aside resource for delegated services provided in acute hospitals is determined by analysis of hospital activity and actual spend for that year. For 2021/22, while the overall expenditure for NHSGGC has increased, the actual figures for East Dunbartonshire have slightly decreased. This is due to the share of overall activity for Older People and Respiratory care having decreased. The impact of Covid-19 resulted in a reduction in activity however this reduction in activity is offset by an increase in additional expenditure. The additional expenditure was predominantly as a result of additional staff costs, increased beds, additional cleaning, testing, equipment and PPE. The costs associated with Covid-19 that are included within the set aside total, were £36.9m for NHS Greater Glasgow and Clyde. These costs were fully funded by the Scottish Government.

KEY RISKS AND UNCERTAINTIES

The period of public sector austerity and reduction in the overall level of UK public sector expenditure is anticipated to extend over the medium term horizon. This is compounded by the impact on public sector budgets of the Covid-19 pandemic which is expected to continue into 2022/23 (albeit with no further funding available to SG through UK consequentials) with a continued focus on recovery and the re mobilisation of services and mitigation of Covid-19 related expenditure levels through the delivery of recurring measures to secure sustainable services into future years to be accommodated within the Health and Social Care Portfolio's care funding envelope.

There has been continued disruption to how health and social care services across East Dunbartonshire have been delivered during 2021/22 and experienced by service users, patients and carers and this is likely to continue in the short term as services move to pre pandemic delivery levels. The HSCP has also had to continue to support new service areas in response to the pandemic including enhanced support to our care home sector, a Covid-19 vaccination programme for the most vulnerable groups, the operation of a hub to support the distribution of

PPE to our social care services and those delivered by the third and independent sector, personal assistants and carers.

The financial impact of implementing the continued changes to services and service delivery models (e.g. to support social distancing requirements, support staff with the appropriate protective equipment, and manage the new and changing levels of need and demand) was significant and likely to be ongoing and evolving as we continue to move through a period of recovery. There are elements which will remain such as enhanced infection prevention and control, use of PPE, support to social care providers who continue to be impacted through outbreaks and staff absence. The Governance Statement on page 34 outlines the governance arrangements which are in place during this challenging time. These accounts have been prepared on the basis that the Scottish Government have met all the additional costs experienced by the HSCP, over and above the earmarked reserves held for this specific purpose.

Additional Covid-19 funding was made available through SG in 2021/22 with an assumption that this will cover Covid-19 expenditure in 2022/23, however beyond that continued Covid-19 funding will cease with an expectation that costs related to Covid-19 will be mitigated as far as possible through the delivery of recurring measures to secure sustainable services into future years to be accommodated within the Health and Social Care Portfolio's care funding envelope – the latter will create a significant financial challenge.

Future Scottish Government grant settlements remain uncertain with further reductions in government funding predicted to 2022/23. The Partnership, through the development of an updated strategic plan, has prepared a Medium Term Financial Strategy 2022 – 27 aligned to its strategic priorities. The aim is to plan ahead to meet the challenges of demographic growth and policy pressures, taking appropriate action to maintain budgets within expected levels of funding and to maximise opportunities for delivery of the Strategic Plan through the use of reserves. This was presented in the context of the ongoing impact of the Covid-19 pandemic and will be reviewed on an annual basis and updated to reflect up to date assumptions and known factors which may have changed since the original strategy was written. It is accepted that the medium to longer term impacts of the pandemic are yet to be fully felt and assessed.

The most significant risks faced by the HSCP over the medium to longer term are:-

- The increased demand for services alongside reducing resources. In particular, the demographic increases predicted within East Dunbartonshire is significant with the numbers of older people aged 75+ set to increase by 67% over the period 2018-2043 (source: NRS). Even more significantly given the age profiles of people receiving the greatest proportion of services, numbers of older people aged 85+ are set to increase by 119% over the same period.
- East Dunbartonshire has a higher than national average proportion of older people aged 75+, therefore these projected increases will have a significant, disproportionate and sustained impact on service and cost pressures.
- The cost and demand volatility across the prescribing budget which has been significant over the years as a result of a number of drugs continuing to be on short supply resulting in significant increase in prices as well as demand increases in medicines within East Dunbartonshire. While these issues were not as significant during 2021/22, the impact on the demand and supply of medicines following the Covid-19 pandemic are expected to resume to normal levels. This represents the HSCP's singular biggest budget area.
- The achievement of challenging savings targets from both partner agencies that face significant financial pressure and tight funding settlements, expected to continue in the medium to long term.

- The capacity of the private and independent care sector who are struggling to recruit adequate numbers of care staff to support service users which is being felt more acutely south of the border but remains a concern locally.

The HSCP Board approved a risk management strategy in August 2017 and we continue to maintain a corporate risk register for the HSCP which identified the key areas of risk that may impact the HSCP and the range of mitigating actions implemented to minimise any associated impact. This is subject to regular review with the latest version presented to the IJB in June 2022. This has been supplemented by a specific Covid-19 risk register following the pandemic outbreak in March 2020 and will be in place specifically to manage these risks throughout this period.

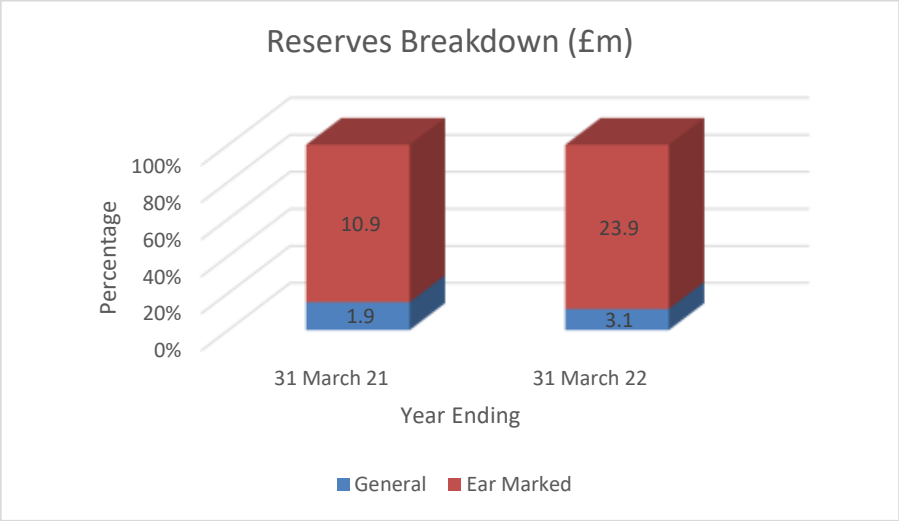
The key areas identified (as at May 2022) are:

Key Strategic Risks	Mitigating Actions
Inability to achieve recurring financial balance	Liaison with other Chief Finance Officers network. Monitoring of delivery of efficiency plans for the coming year through the HSCP Annual Delivery Plan board. Financial recovery plan in place as needed and work with staff and leadership teams to identify areas for further efficiencies / service redesign to be escalated in year. Development of a medium term financial plan to support longer term projections.
Risk of failure to achieving transformational change and service redesign plans within necessary timescales	Early collaborative planning with EDC and NHSGGC re support requirements. Work through staff and leadership teams to identify further efficiency and redesign options to bring forward in year. Development and scrutiny of annual delivery plans including actions for investment / dis investment.
Covid-19 - Increased demand for services to support individuals within the community in the context of reduced capacity.	Additional support provided to individuals / carers to support those at risk to remain safely at home, training ongoing for staff re-directed to care at home and other critical service areas in the event need to invoke business continuity measures.
Inability to support early, effective discharge from hospital	Review further options for increasing capacity within care home provision and care at home through recruitment drive and further re-direction of staff. Additional investment through Adult Winter Planning funding to increase capacity across the HSCP in direct care services to support early and effective discharge.

FINANCIAL PERFORMANCE 2021/22

The partnership's financial performance is presented in these Annual Accounts. The table, on page 40 shows a positive variance of £14.1m against the partnership funding available for 2021/22. This includes unspent funding from Scottish Government received in year (to be carried forward to future years) in relation to Covid-19 funding, Primary Care Improvements, delivery of the Mental Health Strategy, Children's Mental Health and Wellbeing and Alcohol and Drugs monies. Additional funding received during the later stages of the financial year mask the true extent of surpluses on revenue budgets during the year. Adjusting this position for in year movements in reserves provides a positive variance on budget of £3.142m for 2021/22 which has been reported throughout the year to the IJB through regular revenue monitoring updates.

This has further enhanced the reserves position for the HSCP from a balance of £12.8m at the year ending 31 March 2021 to that of a balance of £26.99m at year ending 31 March 2022 (as detailed in the reserves statement on page 41.) The reserves can be broken down as follows:



The CIES includes £6.6m of expenditure related to the impact from Covid-19. The costs incurred during 2021/22 are set out in the table below. Costs were covered through HSCP earmarked reserves, held for this specific purpose, and additional funding received in year from the SG (an additional £10m received in the final quarter of the financial year). The balance has been taken to earmarked reserves to meet ongoing Covid-19 related costs during 2022/23.

Additional Covid -19 Costs - HSCP	**Revenue 2021/22**
Additional Personal Protective Equipment	83,874
Flu Vaccination	345
Scale up of Public Health Measures	96,310
Community Hubs	255,005
Additional Capacity in Community	110,849
Additional Infection Prevention and Control Costs	1,043
Additional Equipment and Maintenance	323,194
Additional Staff Costs	919,552
Additional FHS Prescribing	78,082
Additional FHS contractor costs	147,280
Social Care Provider Sustainability Payments	2,496,359
Payments to Third Parties	1,896
Children and Family services	1,140,210
Loss of Income	387,081
Other	5,178
Remobilisation - Digital & IT costs	27,652
Remobilisation - Primary Care	592,739
Total	**6,666,649**
Unachievable Savings	500,000
Offsetting cost reductions	(578,082)
Total Expenditure	**6,588,567**
Income:	
20/21 Surplus carried forward to 21/22	(6,128,439)
21/22 Allocation - General (Q1 + 70% Q2-4)	(18,000)
21/22 Allocation - PPE (Q1 + 40% Q2-4)	(377,000)
21/22 Allocation - Further Covid Funding	(10,029,000)
Total Income	**(16,552,439)**
Net Expenditure (Surplus)	**(9,963,872)**

Financial Outturn Position 2021/22

The budget for East Dunbartonshire HSCP was approved by the IJB on the 25 March 2021.This provided a total net budget for the year of £176.791m (including £33.712m related to the original

set aside budget). This included £0.676m of agreed savings to be delivered through efficiencies, service redesign and transformation and a £1.1m financial gap which required the identification of additional transformation activity to deliver a balanced budget for the year and moving forward into future financial years. Given the focus of leadership and management capacity remains on the response to and recovery from the Covid-19 pandemic, the IJB agreed to the creation of a transformation reserve of £1.1m to under write the financial gap until such times as work can resume to identify and deliver transformation activity.
There have been a number of adjustments to the budget since the HSCP Board in March 2021 which has increased the annual budget for 21/22 to £212.712m. These adjustments along with recurring funding streams identified during the year end process for 2020/21 and in the initial monitoring periods of the budget for 2021/22, including additional funding to support Scottish Living wage uplifts to the care home sector, have reduced the financial gap to £0337m.

The partnership's financial performance across care groups is represented below:

Care Group Analysis	Annual Budget 2021/22 £000	Actual Expenditure 2021/22 £000	Year End Variance £000
Strategic & Resources	4,233	3,698	535
Older People & Adult Community Services	46,388	42,868	3,520
Physical Disability	4,940	5,005	(65)
Learning Disability	21,341	20,289	1,052
Mental Health	5,740	5,035	705
Addictions	1,602	971	631
Planning & Health Improvement	582	485	97
Childrens Services	14,082	14,795	(713)
Criminal Justice Services	403	346	57
Other Non Social Work Services	1,348	810	538
Family Health Services	31,314	31,314	0
Prescribing	20,675	19,936	739
Oral Health Services	13,983	10,786	3,197
Set Aside	35,982	35,982	0
Covid Expenditure	10,099	6,246	3,853
Net Expenditure	212,712	198,566	14,146

A breakdown of the projected underspend against the allocation from each partner agency is set out in the table below:

Partner Agency	Annual Budget 2021/22 £000	Actual Expenditure 2021/22 £000	Actual Variance - Year End 21/22 £000
East Dunbartonshire Council	62,753	63,900	(1,147)
NHSGGC	149,959	134,666	15,293
TOTAL	212,712	198,566	14,146

The main reasons for the variances to budget for the HSCP during the year are set out below:

- Mental Health, Learning Disability, Addiction Services, Health Improvement (£2.5m under spend) - there was an ongoing reduced number of care packages across residential, daycare, care at home and supported living services, consequential reduction in transport costs as a

result of the Covid-19 pandemic, coupled with continuing vacancies across psychology, nursing and social care staffing. There has been a gradual upward trend on the resumption of care packages across respite and daycare during the year, for services which had ceased during the peak of the pandemic, and this trend is expected to continue as the picture continues to improve. Full allocations were made from SG for MH Action 15 and ADP funding which were not fully spent in year and will be taken to earmarked reserves.

- Community Health and Care Services – Older People / Physical Disability (underspend of £3.5m) – there continued to reduced levels of care home placements (in part due to sporadic outbreaks in care homes limiting placement numbers and admissions) and within care at home services purchased from the external market. This mitigated the pressures within the in-house care at home service along with additional adult winter planning funding to increase capacity in this area. SG funding was made available in year for Adult winter planning which was not fully spent in year due to delays in filling posts. This will be taken to earmarked reserves.

- Children and Criminal Justice Services (overspend of £0.7m) – the over spend in this area is due to an increase in the number of high cost residential placements, fostering and kinship placements have also seen an increase. This is being mitigated to some extent through staff turnover savings.

- Housing Aids and Adaptations and Care of Gardens (underspend of £0.5m) - there are a number of other budgets delegated to the HSCP related to private sector housing grants, care of gardens and fleet provision. These services are delivered within the Council through the Place, Neighbourhood and Corporate Assets Directorate. – there has been an ongoing vacancy within the care and repair service and a downward trend in the number of private sector housing grants to be awarded which may increase as work to progress tenders is underway.

- Prescribing (underspend of £0.7m) - the under spend on prescribing relates to a downturn in the volumes of medicines being prescribed compared to original budgeted projections and prices for medicines, based on an average cost per item, is also seeing a reduction. There have been some price increases associated with paracetamol and sertraline which have been managed within the overall under spend in this area.

- Covid Expenditure (underspend of £3.9m) – the under spend relates to the expenditure on Covid-19 during the year being less than the income received from SG for this purpose. The balance will be taken to earmarked reserves to meet Covid-19 expenditure in 2022/23.

Partnership Reserves

As at the 1 April 2021, the HSCP had a general (contingency) reserves balance of £1.9m. The surplus generated during 2021/22 (£3.1m) will allow the HSCP to further that reserve in line with the HSCP Reserves Policy. This will provide the HSCP with some financial sustainability into future years and an ability to manage in year unplanned events and afford a contingency to manage budget pressures without the need to resort to additional partner contributions as a means of delivering a balanced budget.

The performance of the budget during 2021/22 supports the HSCP in the creation of a reserve to support the redesign of accommodation of £2m across the HSCP in delivery of its strategic priorities, primarily related to the delivery of the primary care improvement programme, moving services currently delivered within acute settings to local communities, such as Phlebotomy, and

additional space to accommodate increased staffing capacity in response to Adult Winter Planning monies, adult social work capacity funding. This provides a remaining balance on general reserves of £3.1m.

A Reserves policy was approved by the IJB on the 11 August 2016. This provides for a prudent reserve of 2% of net expenditure (less Set Aside) which equates to approximately £3.2m for the partnership. The level of general reserves is in line with this prudent level and provides the partnership with a contingency to manage any unexpected in year pressures moving into future years of financial uncertainty.

The HSCP has also increased the level of earmarked reserves to £23.9m which are available to deliver on specific strategic priorities and largely relate to funding from the Scottish Government allocated late in the financial year. The most significant element relates to Covid-19 funding which accounts for £10.3m of ear marked reserves and be available to support ongoing expenditure related to Covid-19 and the recovery of services during 2022/23 with no further funding expected during 2022/23.

A breakdown of the HSCP earmarked reserves is set out in note 10, page 49.

The total level of partnership reserves is now £27.0m as set out in the table on page 41.

Financial Planning

In setting the budget for 2022/23, the partnership had a funding gap of £0.448m following an analysis of cost pressures set against the funding available to support health and social care expenditure in East Dunbartonshire, this is set out in the table below:

	Delegated SW Functions (£m)	Delegated NHS Functions (£m)	Total HSCP (£m)
Recurring Budget 2021/22 (excl. Set aside)	58.402	87.327	145.729
Set Aside		37.759	37.759
Total Recurring Budget 2021/22	58.402	125.086	183.488
Financial Pressures - 22/23	11.462	2.665	14.127
Recurring Financial Gap 21/22	0.936		0.936
2022/23 Budget Requirement	70.800	127.751	198.551
2022/23 Financial Settlement	70.640	127.463	198.103
Financial Challenge 22/23	0.160	0.288	0.448
Budget Savings 20/21 - F/Y Impact	(0.340)	0.000	(0.340)
Transformation / Application of General Reserves	0.000	0.000	0.000
Savings Plan 22/23	(0.060)	(0.048)	(0.108)
Residual Financial Gap 22/23	**(0.240)**	**0.240**	**0.000**

Savings plans of £0.448m were identified to mitigate the financial pressures which delivered a balanced budget position moving into 2022/23.

The HSCP has a Medium Term Financial Strategy for the period 2022 – 2027 which outlines the financial outlook over the next 5 years and provides a framework which will support the HSCP to remain financially sustainable. It forms an integral part of the HSCP's Strategic Plan, highlighting how the HSCP medium term financial planning principles will support the delivery of the HSCP's

strategic priorities. The Strategic Plan is currently under review, with an interim plan in place to cover the period to 2022.

There are a number of key opportunities and challenges for the HSCP at a national and local level. The most significant opportunity being the Review of Adult Social Care, elements of which have now been reflected in the new programme for government, and will see significant investment across a range of areas including the development of a National Care Services on an equal footing to the National Health Service, expansion of support for lower-level needs and preventive community support, increasing support to unpaid carers and sums paid for free personal care.

The HSCP has particular demographic challenges as set out previously on page 4.

The onset of a pandemic (Covid-19) and the impact of this on the delivery of health and social care services has had significant implications in the immediate / short term and this is expected to continue in the medium term as services recover and potential longer term impacts emerge which are yet to be fully assessed.

The Financial Challenge

The Medium Term Financial Strategy (MTFS) for the HSCP provides a number of cost pressures with levels of funding not matching the full extent of these pressures requiring a landscape of identifying cost savings through a programme of transformation and service redesign. The MTFS was updated as part of the Budget Setting for 2022/23 in March 2022.

The main areas for consideration within the MTFS for the HSCP are:-

- The IJB is planning for a range of scenarios ranging from best to poor outcomes in terms of assumptions around cost increases and future funding settlements. This will require the identification of £11.5m to £21.8m of savings with the most likely scenario being a financial gap of £11.5m over the next five years.
- This will extend to £28.9m over the next 10 years, however this becomes a more uncertain picture as the future environment within which IJBs operate can vary greatly over a longer period of time.
- Based on the projected income and expenditure figures the IJB will require to achieve savings between £0.5m and £3.0m each year from 2022/23 onwards.

The aim of the medium term financial strategy is to set out how the HSCP would take action to address this financial challenge across the key areas detailed below:

Key areas identified to close the financial gap



Delivering Services Differently through Transformation and Service Redesign

- Development of a programme for Transformation and service redesign which focuses on identifying and implementing opportunities to redesign services using alternative models of care in line with the ambitions of the HSCP Strategic Plan.



Efficiency Savings

- Implementing a range of initiatives which will ensure services are delivered in the most efficient manner.



Strategic Commissioning

- Ensuring that the services purchased from the external market reflect the needs of the local population, deliver good quality support and align to the strategic priorities of the HSCP.



Shifting the Balance of Care

- Progressing work around the un-scheduled care commissioning plan to address a shift in the balance of care away from hospital based services to services delivered within the community.



Prevention and Early Intervention

- Through the promotion of good health and wellbeing, self-management of long term conditions and intervening at an early stage to prevent escalation to more formal care settings.



Demand Management

- Implementing a programme focussed on managing demand and eligibility for services which enable demographic pressures to be delivered without increasing capacity. This is an area of focus through the Review of Adult Social Care.

J Forbes
IJB Chair

27 October 2022

C Sinclair
Chief Officer

27 October 2022

J Campbell
Chief Finance and Resources Officer
27 October 2022

Chief Officer
Caroline Sinclair

1.1 STATEMENT OF RESPONSIBILITIES

Responsibilities of the HSCP Board

The HSCP Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Finance and Resources Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014 as modified by the Coronavirus (Scotland) Act 2020), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of the Performance, Audit and Risk Committee on the 27 October 2022.

Signed on behalf of the East Dunbartonshire HSCP Board.

J Forbes
IJB Chair
27 October 2022

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

Responsibilities of the Chief Finance and Resources Officer

The Chief Finance and Resources Officer is responsible for the preparation of the HSCP Board's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Chief Finance and Resources Officer has:

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

The Chief Finance and Resources Officer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the East Dunbartonshire HSCP Board as at 31 March 2022 and the transactions for the year then ended.

J Campbell
Chief Finance and Resources Officer
27 October 2022

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

1.2 REMUNERATION REPORT

Introduction

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

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

Remuneration: HSCP Board Chair and Vice Chair

The voting members of the HSCP Board are appointed through nomination by EDC and NHSGGC in equal numbers being three nominations from each partner agency. Nomination of the HSCP Board Chair and Vice Chair post holders alternates between a Councillor and a Health Board Non-Executive Director.

The remuneration of Senior Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure, such as the Chair or Vice Chair of a committee, sub-committee or board (such as the HSCP Board).

The remuneration of Non-Executive Directors is regulated by the Remuneration Sub-committee which is a sub-committee of the Staff Governance Committee within the NHS Board. Its main role is to ensure the application and implementation of fair and equitable systems for pay and for performance management on behalf of the Board as determined by Scottish Ministers and the Scottish Government Health and Social Care Directorates.

The HSCP Board does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the HSCP Board. The HSCP Board does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses paid by the HSCP Board to the Chair and Vice Chair.

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

Remuneration: Officers of the HSCP Board

The HSCP Board does not directly employ any staff in its own right; however specific post-holding officers are non-voting members of the Board. All staff working within the partnership are employed through either EDC or NHSGGC and remuneration for senior staff is reported

through those bodies. This report contains information on the HSCP Board Chief Officer and the Chief Finance and Resources Officer's remuneration together with details of any taxable expenses relating to HSCP Board voting members claimed in the year.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the HSCP Board has to be appointed and the employing partner has to formally second the officer to the HSCP Board. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the HSCP Board. The Chief Officer, Mrs Sinclair was appointed from the 6th January 2020. Mrs Sinclair is employed by East Dunbartonshire Council and seconded to the HSCP Board.

Other Officers

No other staff are appointed by the HSCP Board under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below. The HSCP Board Chief Finance and Resources Officer is employed by NHSGGC. The Council and Health Board share the costs of all senior officer remunerations.

Total 2020/21 £	Senior Employees	Salary, Fees and Allowances £	Compensation for Loss of Office £	Total 2021/22 £
104,448	**C Sinclair** Chief Officer 6th January 2020 to present	104,539	0	104,539
87,036	**J. Campbell** Chief Finance and Resources Officer 9th May 2016 to present	92,220	0	92,220
191,484	**Total**	**196,759**	**0**	**196,759**

Pay band information is not separately provided as all staff pay information has been disclosed in the information above.

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the HSCP Board balance sheet for the Chief Officer or any other officers.

The HSCP Board however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the HSCP Board. The following table shows the HSCP Board's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension

benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/21	For Year to 31/03/22		Difference from 31/03/21	As at 31/03/22
	£	£		£000	£000
C Sinclair	20,000	20,100	Pension	0 - 5	5 – 10
Chief Officer 6th January 2020 to present			Lump sum	0	0
J. Campbell	18,000	19,300	Pension	0 - 5	5 – 10
Chief Finance and Resources Officer 9th May 2016 to present			Lump sum	0	0
Total	**38,000**	**39,400**	**Pension**	**0 - 10**	**10 – 20**
			Lump Sum	**0**	**0**

The Chief Officer and the Chief Finance and Resources Officer detailed above are members of the Local Government Superannuation Scheme and the NHS Superannuation Scheme (Scotland) respectively. The pension figures shown relate to the benefits that the person has accrued as a consequence of their current appointment and role within the HSCP Board and in the course of employment across the respective public sector bodies. The contractual liability for employer's pension contribution rests with East Dunbartonshire Council and NHSGGC respectively. On this basis there is no pension liability reflected on the HSCP Board balance sheet. There were no exit packages payable during either financial year.

J Forbes
IJB Chair
27 October 2022

C Sinclair
Chief Officer
27 October 2022

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

The HSCP Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money and assets are safeguarded and that arrangements are made to secure best value in their use.

In discharging this responsibility, the Chief Officer has put in place arrangements for governance, which includes the system of internal control. The system is intended to manage risk to support the achievement of the HSCP Board's policies, aims and objectives. Reliance is placed on the NHSGGC and EDC systems of internal control that support compliance with both organisations' polices and promotes achievement of each organisation's aims and objectives, as well as those of the HSCP Board.

The system of internal control is designed to manage risk to a reasonable level, but cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute assurance of effectiveness.

Impact of Coronavirus (Covid-19) pandemic on governance arrangements

Impact on service delivery

As a result of the pandemic, presenting need, demand, service activity, performance and impact have continued to have been significantly affected in 2021/22. Throughout the year, operational teams have worked very hard to ensure that the people we support continue to have their eligible needs met, with provision being made in ways that are safe and person-centred.

Governance Implications

Governance frameworks remained largely in place in the year with virtual meetings of the HSCP Board meetings and those of the Performance, Audit and Risk Committee continuing throughout. However, the pressures on management as a result of the pandemic have resulted in delays to some key governance documents. This has included the deferral of the publication of the HSCP Annual Performance Report from July until September 2022 in line with the Coronavirus Scotland Act (2020).

Financial Pressure and Funding Consequences

Significant pressures have continued as a result of Covid-19 related costs and the impact of this on the delivery of savings and transformation during 2021/22. The Scottish Government have provided additional funding towards these costs and earmarked reserves have been drawn down on to fund these pressures. Additional funding was received in the year for Adult Winter Planning Funding. This has not been spent in full during 2021/22 and some of this funding will therefore be taken to HSCP ear marked reserves to be used to support Covid and winter pressures into 2022/23.

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

Assessment of the longer-term disruption and consequences arising from the coronavirus pandemic

The HSCP has been through two very challenging years, and it is recognised that there will be further impact on our communities, and on people's physical and mental wellbeing, as we look towards the years ahead. The COVID-19 pandemic is already demonstrating its impact on health and wellbeing. Higher rates of mental ill health, alcohol and drug use and public protection referrals have all been experienced in East Dunbartonshire over the period of the pandemic, and likely to have a number of yet unknown consequences on population health, which should be taken in to account for future planning. Some of these trends pre-date the pandemic. The HSCP has prepared and agreed a Strategic Plan for 2022-25 which acknowledges that the impact of the pandemic may be felt over the full period of the new Strategic Plan. It will be incumbent upon the HSCP and all of its partners to work together to meet both the pre-existing and new challenges post-pandemic. The HSCP's plans will continue to be refined year on year, as a better understanding is obtained of the longer term impact of the pandemic, and of people's needs as we look towards recovery and renewal.

The Governance Framework and Internal Control System

The system of internal control is based on a framework designed to identify and prioritise the risks to the achievement of the Partnership's key outcomes, aims and objectives and comprises the structures, processes, cultures and values through which the partnership is directed and controlled.

The system of internal control includes an ongoing process, designed to identify and prioritise those risks that may affect the ability of the Partnership to achieve its aims and objectives. In doing so, it evaluates the likelihood and impact of those risks and seeks to manage them efficiently, effectively and economically.

Governance arrangements have been in place throughout the year and up to the date of approval of the statement of accounts. However, see further detail provided above on the impact of the Covid-19 pandemic on these arrangements.

Key features of the governance framework in 2021/22 are:

- The HSCP Board comprises six voting members – three non-executive Directors of NHSGGC and three local Councillors from EDC. The Board is charged with responsibility for the planning of Integrated Services through directing EDC and the NHSGGC to deliver on the strategic priorities set out in the Strategic Plan. In order to discharge their responsibilities effectively, board members are supported with a development programme. This programme aims to provide opportunities to explore individual member and Board collective responsibilities and values that facilitate decision making, develop understanding of service provision within the HSCP and engage with staff delivering these services and specific sessions on the conduct of the business of the HSCP Board.

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

- HSCP Boards are 'devolved public bodies' for the purposes of the Ethical Standards in Public Life (Scotland) Act 2000, which requires them to produce a code of conduct for members. The members of the HSCP Board have adopted and signed up to the Code of Conduct for Members of Devolved Public Bodies and have committed to comply with the rules and regularly review their personal circumstances on an annual basis.

- The HSCP Board has produced and adopted a Scheme of Administration that defines the powers, relationships and organisational aspects for the HSCP Board. This includes the Integration Scheme, Standing Orders for meetings, Terms of reference and membership of HSCP Board committees, the Scheme of Delegation to Officers and the Financial Regulations.

- The Strategic Plan for 2022-2025 outlines eight key priorities to be delivered over the three year period and provides specific commitments and objectives against each of these. It sets out the identified strategic priorities for the HSCP and links the HSCP's priorities to National Health and Wellbeing Outcomes.

- Financial regulations have been developed for the HSCP in accordance with the Integrated Resources Advisory Group (IRAG) guidance and in consultation with EDC and NHSGGC. They set out the respective responsibilities of the Chief Officer and the Chief Finance and Resources Officer in the financial management of the monies delegated to the partnership.

- The Risk Management Policy sets out the process and responsibilities for managing risk in the HSCP. The Corporate Risk Register was revised and approved in November 2021 and is reviewed by the Senior Management Team at least twice a year. In light of the Covid-19 pandemic, a specific risk register has been complied for the risks associated with this event.

- Performance Reporting – Regular performance reports are presented to the HSCP Board to monitor progress on an agreed suite of measures and targets against the priorities set out in the strategic plan. This includes the provision of exception reports for targets not being achieved identifying corrective action and steps to be taken to address performance not on target. This scrutiny is supplemented through the Performance, Audit and Risk Committee. A performance management framework has been developed and implemented across the HSCP to ensure accountability for performance at all levels in the organisation. This includes regular presentations on team / service performance to the Senior Management team at a more detailed level and informs higher level performance reporting to the partner agency Chief Executives as part of regular organisation performance reviews (OPRs) and ultimately to the HSCP Board.

- The Performance, Audit and Risk Committee advises the Partnership Board and its Chief Finance and Resources Officer on the effectiveness of the overall internal control environment.

- Clinical and Care Governance arrangements have been developed and led locally by the Clinical Director for the HSCP and through the involvement of the Chief Social Work Officer for EDC.

- Information Governance – the Public Records (Scotland) Act 2011 (Section1 (1)) requires the HSCP Board to prepare a Records Management Plan setting out the proper arrangements for the authority's public records. The HSCP Board updated and approved this in March 2021, prior to submission to the Keeper of the Records of Scotland. In addition, under the Freedom of Information (Scotland) Act, the HSCP Board is required to develop a Freedom of Information Publication Scheme – this was published in March 2017.

- The HSCP Board is a formal full partner of the East Dunbartonshire Community Planning Partnership Board (CPPB) and provides regular relevant updates to the CPPB on the work of the HSCP.

Roles and Responsibilities of the Performance, Audit and Risk Committee and Chief Internal Auditor

Board members and officers of the HSCP Board are committed to the concept of sound internal control and the effective delivery of HSCP Board services. The HSCP Board's Performance, Audit and Risk Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.

The Performance, Audit and Risk Committee performs a scrutiny role in relation to the application of CIPFA's Public Sector Internal Audit Standards 2017 (PSIAS) and regularly monitors the performance of the Partnership's internal audit service. The appointed Chief Internal Auditor has responsibility to perform independent reviews and to report to the Performance, Audit and Risk Committee annually, to provide assurance on the adequacy and effectiveness of conformance with PSIAS.

The internal audit service undertakes an annual programme of work, approved by the Performance, Audit and Risk Committee, based on a strategic risk assessment. The appointed Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of internal control. East Dunbartonshire Council's Audit and Risk Manager is the Chief Internal Auditor for the Partnership. In this role, the assurance is based on the available information including HSCP audits, EDC internal audit reports relating to the Partnership and summary reports on NHSGGC internal audits that relate to the partnership. Whilst as a result of the ongoing effects of the Covid-19 pandemic the focus of internal audit work in 2021/22 has differed to that originally envisioned, particularly in the final quarter of the year, internal audit have continued to take a risk based approach in completing the internal audit plan. There have been no impairments or restrictions of scope during the course of the year.

Based on Internal Audit work completed in 2021/22 in accordance with Public Sector Internal Audit Standards (PSIAS), the Chief Internal Auditor has concluded that the HSCP's internal control procedures were generally found to operate as intended, with reasonable assurance being provided on the integrity of controls. A number of additional recommendations have

been made by the internal audit team in 2021/22 in order to improve controls further, and action plans developed with management to address the risks identified. The Chief Internal Auditor has conducted a review of all HSCP and EDC Internal Audit reports issued in the financial year, together with summary reports on NHSGGC Internal Audit work and Certificates of Assurance from the EDC and partnership Senior Management Team. Although no system of internal control can provide absolute assurance, nor can Internal Audit give that assurance, based on the audit work undertaken during the reporting period, the Chief Internal Auditor is able to conclude that a reasonable level of assurance can be given that the system of internal control is operating effectively within the organisation.

1.3 Update on Previous Governance Issues

The 2020/21 Annual Governance Statement set out a number of Improvement Actions to enhance the governance arrangements within the partnership or which the partnership relies on to support effective internal controls. These are updated below:

- An area identified for further improvement was the process for purchasing emergency or short notice commissioned care. The processes for ensuring this, and other existing commissioning, has proper contractual under-pinning was identified as requiring strengthening. In support of these improvements, staff have were asked to confirm understanding of the requirement to follow proper governance processes. Additionally, a standard procurement form has been updated to capture details on any emergency purchases.

- EDC Internal Audit Reports – EDC Internal Audit have performed a follow up review which confirmed that a high risk prior year issue remained in progress relating to contractual arrangements for Social Work Contract Monitoring. A new Planning and Service Development structure is expected to largely address this issue which will also require a review of the contract tracker of spend out with contractual arrangements. Revised timescales have been agreed with relevant officers and this will be progressed in 2022/23.

- External Reports – it was stated in last year's governance statement that the HSCP would take cognisance of external reports and develop action plans that seek to improve governance arrangements in line with best practice. This has occurred, with the partnership developing action plans in response to reports from Audit Scotland and the Care Inspectorate.

Review of Effectiveness

East Dunbartonshire HSCP Board has responsibility for reviewing the effectiveness of the governance and risk management arrangements including the system of internal control. This review is informed by the work of the Chief Officer and the Senior Management Team who have responsibility for the development and maintenance of the governance environment, the Annual Governance Report, the work of internal audit functions for the respective partner organisations and by comments made by external auditors and other review agencies and inspectorates.

The partnership has put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance and risk management is both appropriate and effective in practice.

A range of internal audit assignments has been completed that reviewed the operation of internal controls of relevance to the HSCP Board. These were generally found to operate as intended, with reasonable assurance provided on the integrity of controls. A number of recommendations have been made for areas for further improvement and action plans developed to address the risks identified. Senior Officers have provided assurances that the issues raised by Internal Audit have been or will be addressed. Auditors will conduct testing following completion of the actions, as part of the 2022/23 audit programme.

There has been specific work undertaken by each partner's audit functions. The HSCP's Chief Internal Auditor has considered the conclusions on the areas reviewed by NHSGGC internal auditors in 2021/22. An opinion of reasonable assurance has been provided by the NHSGGC's auditors, Azets, whilst specific areas for improvement have been highlighted. Similarly, consideration has been made of the opinion provided of reasonable assurance provided by the Council's auditors on its systems, governance and risk management systems.

The HSCP Board has various meetings, which have received a wide range of reports to enable effective scrutiny of the partnership's performance and risk management updates including regular Chief Officer Updates, financial reports, performance reports, risk registers and service development reports, which contribute to the delivery of the Strategic Plan.

Governance Improvement Plans

The following areas of improvement have been identified for 2022/23, which will seek to enhance governance arrangements within the partnership:

- External Reports – the HSCP will take cognisance of external reports and develop action plans that seek to improve governance arrangements in line with best practice.

- Internal Audit Reports – Further to the completion of the internal audit work for 2021/22, and following up on previously raised internal audit actions, the main area that the Internal Audit Team highlighted as requiring further improvement was the contractual status of social care expenditure. Action plans have been agreed with management and any outstanding audit actions will continue to be monitored for compliance.

Assurance

The system of governance (including the system of internal control) operating in 2021/22 provides reasonable assurance that transactions are authorised and properly recorded; that material errors or irregularities are either prevented or detected within a timely period; and that significant risks to the achievement of the strategic priorities and outcomes have been mitigated.

Certification

Chief Officer
Caroline Sinclair

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the East Dunbartonshire HSCP Board's systems of governance.

J Forbes
IJB Chair
27 October 2022

C Sinclair
Chief Officer
27 October 2022

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

1.4 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year according to accepted accounting practices.

2020/21				2021/22		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Care Group	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
2,625	(57)	2,568	Strategic / Resources	3,106	(62)	3,044
1,369	0	1,369	Addictions	1,360	(9)	1,351
39,268	(624)	38,644	Older People	43,690	(1,026)	42,664
19,803	(470)	19,333	Learning Disability	20,853	(374)	20,479
4,595	285	4,880	Physical Disability	5,009	(4)	5,005
5,882	(504)	5,378	Mental Health	6,086	(566)	5,520
14,938	(676)	14,262	Children & Families	15,602	(807)	14,795
1,452	(1,290)	162	Criminal Justice	1,752	(1,406)	346
741	0	741	Other - Non Social Work	810	0	810
10,921	(1,101)	9,820	Oral Health	11,900	(1,114)	10,786
29,976	(154)	29,822	Family Health Services	31,869	(555)	31,314
19,178	0	19,178	Prescribing	19,937	(1)	19,936
7,215	0	7,215	Covid	6,245	0	6,245
36,975	*0*	36,975	Set Aside for Delegated Services to Acute Services	35,982	0	35,982
282	0	282	HSCP Board Operational Costs	289	0	289
195,220	**(4,591)**	**190,629**	**Cost of Services Managed By East Dunbartonshire HSCP**	**204,490**	**(5,924)**	**198,566**
	(202,669)	(202,669)	Taxation & Non Specific grant Income		(212,712)	(212,712)
195,220	**(207,260)**	**(12,040)**	**(Surplus) or deficit on Provision of Services**	**204,490**	**(218,636)**	**(14,146)**
		(12,040)	**Total Comprehensive Income and Expenditure**			**(14,146)**

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

1.5 MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the HSCP Board's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

Movements in Reserves During 2021/22	Contingency Reserve (non-earmarked)	Ear-Marked Reserves	Total General Fund Reserves
	£000	£000	£000
Opening Balance at 31 March 2021	**(1,935)**	**(10,909)**	**(12,844)**
Total Comprehensive Income and Expenditure (Increase) / Decrease 2021/22	(1,143)	(13,003)	(14,146)
Closing Balance at 31 March 2022	**(3,078)**	**(23,912)**	**(26,990)**

Movements in Reserves During 2020/21	Contingency Reserve (non-earmarked)	Ear-Marked Reserves	Total General Fund Reserves
	£000	£000	£000
Opening Balance at 31 March 2020	**0**	**(804)**	**(804)**
Total Comprehensive Income and Expenditure (Increase) / Decrease 2020/21	(1,935)	(10,105)	(12,040)
Closing Balance at 31 March 2021	**(1,935)**	**(10,909)**	**(12,844)**

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

1.6 BALANCE SHEET

The Balance Sheet shows the value as at the 31 March 2022 of the HSCP Board's assets and liabilities. The net assets of the HSCP Board (assets less liabilities) are matched by the reserves held by the HSCP Board.

31 March 2021 £000		Notes	31 March 2022 £000
12,844	Short term Debtors	9	26,990
	Current Assets		
12,844	**Net Assets**		**26,990**
(1,935)	Usable Reserve: Contingency	10	(3,078)
(10,909)	Usable Reserve: Earmarked	10	(23,912)
(12,844)	**Total Reserves**		**(26,990)**

The unaudited accounts were issued on 28 June 2022 and the audited accounts were authorised for issue on 27 October 2022. I certify that the financial statements present a true and fair view of the financial position of the East Dunbartonshire HSCP as at 31 March 2022 and its income and expenditure for the year then ended.

J Campbell
Chief Finance and Resources Officer
27 October 2022

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

1.7 NOTES TO THE FINANCIAL STATEMENTS

1.7.1

1. Significant Accounting Policies

General Principles

The Financial Statements summarises the authority's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022.

The HSCP Board was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973. It is a joint venture between NHSGGC and East Dunbartonshire Council.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

Accruals of Income and Expenditure

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

- Expenditure is recognised when goods or services are received and their benefits are used by the HSCP Board.
- Income is recognised when the HSCP Board has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

Funding

The HSCP Board is primarily funded through contributions from the statutory funding partners, East Dunbartonshire Council and NHS Greater Glasgow and Clyde. Expenditure is incurred as the HSCP Board commissions specified health and social care services from the funding partners for the benefit of service recipients in East Dunbartonshire.

Cash and Cash Equivalents

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

Employee Benefits

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

The HSCP Board has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

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

Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the HSCP Board's Balance Sheet, but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the

HSCP Board's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

Reserves

The HSCP Board's reserves are classified as either Usable or Usable Ear-marked Reserves.

The balance of the General Fund as at 31 March 2022 shows the extent of resources which the HSCP Board can use in later years to support service provision and complies with the Reserves Strategy for the partnership.

The ear marked reserve shows the extent of resource available to support Covid-19 recovery and service re-design in achievement of the priorities set out in the Strategic Plan including funding which have been allocated for specific purposes but not spent in year.

VAT

The HSCP Board is not a taxable person and does not charge or recover VAT on its functions. The VAT treatment of expenditure in the HSCP Board's accounts depends on which of the partner organisations is providing the service as these agencies are treated differently for VAT purposes.

The services provided to the HSCP Board by the Chief Officer are outside the scope of VAT as they are undertaken under a special legal regime.

Indemnity Insurance

The HSCP Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. The EDC and NHSGGC have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. Unlike NHS Boards, the HSCP Board does not have any 'shared risk' exposure from participation in CNORIS. The HSCP Board participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration is provided for in the HSCP was £0k, the balance will be payable in Board's Balance Sheet.

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

2. Prior Year Restatement

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the CIES or in the notes to the Accounts, depending on how significant the items are to the understanding of the HSCP's financial performance.

Prior period adjustments may arise as a result of a change in accounting policy, a change in accounting treatment or to correct a material error. Changes are made by adjusting the opening balances and comparative amounts for the prior period which then allows for a consistent year on year comparison.

There have not been any prior year re-statements.

3. Critical Judgements and Estimation Uncertainty

In applying the accounting policies set out above, the HSCP Board has had to make critical judgement relating to services hosted within East Dunbartonshire HSCP for other HSCPs within the NHSGGC area. In preparing the 2021/22 financial statements the HSCP Board is considered to be acting as 'principal', and the full costs of hosted services are reflected within the financial statements. In delivering these services the HSCP Board has primary responsibility for the provision of these services and bears the risk and reward associated with this service delivery in terms of demand and the financial resources required.

In responding to Covid-19 the HSCP has been required to act as both principal and agent. An assessment of all Covid-19 expenditure has been undertaken and this assessment has concluded that the IJB acted as agent in relation to the £500 payment made to Council employees and external care providers at the request of the Scottish Government. This assessment has been based on LASAAC guidance issued in relation to this expenditure. In line with the Code, this expenditure has been excluded from the accounts.

The Scottish Government has issued guidance on accounting for Personal Protective Equipment (PPE) and testing kits provided through NHS National Services (NSS). In accordance with this guidance and based on the judgement that the HSCP is acting as an agent, the income and expenditure relating to PPE has been excluded from the HSCP Annual Accounts 2021/22.

The Annual Accounts contain estimated figures that are based on assumptions made by East Dunbartonshire HSCP about the future or that which are otherwise uncertain. Estimates are made taking into account historical expenditure, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates made. In applying these estimations, the HSCP has no areas where actual results are expected to be materially different from the estimates used.

4. Events After the Reporting Period

The audited Annual Accounts were authorised for issue by the Chief Finance and Resources Officer on 27 October 2022. There were no events that occurred between 1 April 2022 and

the date that the Annual Accounts were authorised for issue that would have an impact on the financial statements.

5. Expenditure and Funding Analysis by Nature

2020/21 £000		2021/22 £000
45,183	Employee Costs	49,043
344	Property Costs	370
5,053	Supplies and Services	6,167
56,964	Contractors	59,420
825	Transport and Plant	1,140
199	Administrative Costs	309
30,217	Family Health Service	31,831
19,178	Prescribing	19,937
36,975	Set Aside	35,982
282	HSCP Board Operational Costs	289
(4,591)	Income	(5,922)
190,629	Net Expenditure	198,566
(202,669)	Partners Funding Contributions and Non-Specific	(212,712)
(12,040)	**(Surplus) or Deficit on the Provision of Services**	**(14,146)**

6. HSCP Board Operational Costs

2020/21 £000		2021/22 £000
255	Staff Costs	261
27	Audit Fees	28
282	**Total Operational Costs**	**289**

External Audit Costs

The appointed Auditors to ED HSCP were Audit Scotland. Fees payable to Audit Scotland in respect of external audit service undertaken were in accordance with the Code of Audit Practice.

1.7.2

7. Support Services

Support services were not delegated to the HSCP Board through the Integration Scheme and are instead provided by the Health Board and Council free of charge as a 'service in kind'. The support services provided is mainly comprised of: financial management and accountancy support, human resources, legal, committee administration services, ICT, payroll, internal audit and the provision of the Chief Internal Auditor.
All support services provided to the HSCP Board were considered not material to these accounts.

1.7.3

8. Taxation and Non-Specific Grant Income

2020/21 £000	PARTNER FUNDING CONTRIBUTIONS	2021/22 £000
57,719	Funding Contribution from East Dunbartonshire Council	62,753
144,950	Funding Contribution from NHS Greater Glasgow & Clyde	149,959
202,669	**Taxation and Non-specific Grant Income**	**212,712**

The funding contribution from the NHSGGC shown above includes £35.982m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by NHSGGC which retains responsibility for managing the costs of providing the services. The HSCP Board however has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

9. Debtors

31 March 2021 £000		31 March 2022 £000
0	NHS Greater Glasgow and Clyde	0
12,844	East Dunbartonshire Council	26,990
12,844	**Debtors**	**26,990**

The short term debtor relates to the balance of earmarked reserves to support specific initiatives for which the Scottish Government made this funding available and is money held by the parent bodies as reserves available to the partnership. There is also an element related to general contingency reserves – the detail is set out in the note below. All debtor balances are held by EDC at the end of each financial year.

10. Usable Reserve: General Fund

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

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.

- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the HSCP Board's risk management framework.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a general contingency.

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

Balance at 31 March 2021 £000	HSCP RESERVES	Transfers Out 2021/22 £000	Transfers In 2021/22 £000	Balance at 31 March 2022 £000
(1,100)	HSCP Transformation	0	0	(1,100)
	HSCP Accommodation Redesign	0	(2,000)	(2,000)
(170)	Review Team	40	0	(130)
(282)	SG - Integrated Care / Delayed Discharge	0	0	(282)
(403)	Oral Health Funding	403	(3,600)	(3,600)
(878)	SG - Primary Care Improvement	878	(1,292)	(1,292)
(572)	SG – Action 15 Mental Health	572	(687)	(687)
(112)	SG – Alcohol & Drugs Partnership	112	(652)	(652)
(118)	GP Premises	19	(130)	(229)
(185)	Prescribing	0	0	(185)
(6,128)	Covid	6,194	(10,029)	(9,963)
(341)	Community Living Charge	0	0	(341)
	Adult Winter Planning Funding	0	(1,652)	(1,652)
	Mental Health Recovery & Renewal	0	(616)	(616)
	MH Estate Funding	0	(278)	(278)
(619)	Miscellaneous Reserves	365	(651)	(905)
(10,908)	Total Earmarked	8,583	(21,587)	(23,912)
(1,935)	Contingency	0	(1,143)	(3,078)
(12,843)	**General Fund**	**8,583**	**(22,730)**	**(26,990)**

11. Related Party Transactions

The HSCP Board has related party relationships with the EDC and NHSGGC. In particular the nature of the partnership means that the HSCP Board may influence, and be influenced by, its partners. The following transactions and balances included in the HSCP Board's accounts are presented to provide additional information on the relationships.

Transactions with NHS Greater Glasgow and Clyde

2020/21 £000		2021/22 £000
(144,950)	Funding Contributions received from the NHS Board	(149,959)
111,271	Expenditure on Services Provided by the NHS Board	115,613
127	Key Management Personnel: Non-Voting Board Members	130
(33,552)	**Net Transactions with the NHS Board**	**(34,216)**

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the HSCP Board include the Chief Officer and the Chief Finance and Resources Officer. These costs are met in equal share by the EDC and NHSGGC. The details of the remuneration for some specific post-holders are provided in the Remuneration Report.

Balances with NHS Greater Glasgow and Clyde

31 March 2021 £000		31 March 2022 £000
0	Debtor balances: Amounts due from the NHS Board	0
0	**Net Balance with the NHS Board**	**0**

Transactions with East Dunbartonshire Council

2020/21 £000		2021/22 £000
(57,719)	Funding Contributions received from the Council	(62,753)
79,076	Expenditure on Services Provided by the Council	82,665
128	Key Management Personnel: Non-Voting Board Members	130
27	Support Services	28
21,512	**Net Transactions with the Council**	**20,070**

Balances with East Dunbartonshire Council

31 March 2021 £000		31 March 2022 £000
12,844	Debtor balances: Amounts due from the Council	26,990
12,844	**Net Balance with the Council**	**26,990**

12. Contingent Assets and Liabilities

A contingent asset or liability arises where an event has taken place that gives the HSCP Board a possible obligation or benefit whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the HSCP Board. Contingent liabilities or assets also arise in circumstances where a provision would otherwise be made but, either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in a note to the Accounts where they are deemed material.

The HSCP Board is not aware of any material contingent asset or liability as at the 31 March 2022.

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of East Dunbartonshire Integration Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including 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 2021/22 (the 2021/22 Code).

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the East Dunbartonshire Integration Joint Board as at 31 March 2022 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 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 18 July 2016. The period of total uninterrupted appointment is six years. I am independent of the East Dunbartonshire Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the East Dunbartonshire Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

These conclusions are not intended to, nor do they, provide assurance on the East Dunbartonshire Integration Joint Board's current or future financial sustainability. However, I report on the East Dunbartonshire Integration Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

East Dunbartonshire Health & Social Care Partnership

Chief Officer
Caroline Sinclair

Responsibilities of the Chief Finance and Resources Officer and Performance, Audit and Risk Committee for the financial statements

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

In preparing the financial statements, the Chief Finance and Resources Officer is responsible for assessing the East Dunbartonshire Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the East Dunbartonshire Integration Joint Board's operations.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how the East Dunbartonshire Integration Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of the East Dunbartonshire Integration Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the East

Dunbartonshire Integration Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

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

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

Reporting on other requirements

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

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

Other information

The Chief Finance and Resources Officer is responsible for 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.

My 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 my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or

- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or

- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Fiona Mitchell-Knight FCA
Audit Director
Audit Scotland
4th Floor, The Athenaeum Building
8 Nelson Mandela Place
Glasgow, G2 1BT

27 October 2022