



Audit, Performance and Risk Committee

Thursday, 26 October 2023

Council Chambers

NOTICE IS HEREBY GIVEN that a Meeting of the **Audit, Performance and Risk Committee, Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Thursday, 26 October 2023** at **09:30** to consider the business noted below.

AGENDA

1. **Welcome and Apologies**
2. **Declaration of Member's Interests**
3. **Minutes of meeting of 31 August 2023** 5 - 8
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11. **Update on Improvement Plan for Adult Social Care Commissioning** 223 - 236

MORAY INTEGRATION JOINT BOARD

SEDERUNT

Councillor Scott Lawrence (Chair)

Mr Derick Murray (Voting Member)

Mr Sandy Riddell (Voting Member)

Councillor Ben Williams (Voting Member)

Mr Sean Coady (Member)

Mr Graham Hilditch (Member)

Mr Simon Bokor-Ingram (Member)

Ms Sonya Duncan (Member)

Ms Deborah O'Shea (Member)

Mr Stuart Falconer (Non-Voting Member)

Clerk Name:	Caroline O'Connor
Clerk Telephone:	07779 999296
Clerk Email:	committee.services@moray.gov.uk



MINUTE OF MEETING OF THE AUDIT, PERFORMANCE AND RISK COMMITTEE

Thursday, 31 August 2023

Council Chambers, Council Office, High Street, Elgin, IV30 1BX

PRESENT

Mr Simon Bokor-Ingram, Councillor John Divers, Mr Graham Hilditch, Councillor Scott Lawrence, Mr Derick Murray, Ms Deborah O'Shea, Mr Sandy Riddell

APOLOGIES

Mr Sean Coady, Ms Sonya Duncan, Mr Stuart Falconer

IN ATTENDANCE

Also in attendance at the above meeting were the Head of Service/Chief Social Work Officer, Provider Services Manager, Chief Internal Auditor, Michelle Fleming, Self Directed Support and Unpaid Carers Officer, Angela Pieri, External Auditor and the Democratic Services Manager.

1. Chair

The meeting was chaired by Councillor Scott Lawrence.

2. Declaration of Member's Interests

Mr Riddell declared an interest as he is Chair of the Mental Welfare Commission. The Committee noted that there were no other declarations of member's interests.

3. Minute of Special Meeting on 29 June 2023

The minute of the special meeting of the Audit, Performance and Risk Committee on 29 June were submitted and approved.

4. Minute of meeting of 29 June 2023

The minute of the meeting of the Audit, Performance and Risk Committee on 29 June were submitted and approved.



5. Action Log of Meeting of 29 June 2023

The action log of the meeting of 29 June 2023 was discussed and updated.

6. Quarter 1 Performance Report

A report by the Interim Strategy and Planning Lead updated the Committee on performance as at Quarter 1 (April to June 2023).

Mr Riddell continued to raise concern about the huge pressure on the mental health service both on staff and patients and sought assurances on what is being done to improve the situation. He further added that the performance information on mental health services needs to be improved.

He further raised concerns about staff wellbeing and that self management is how both organisations are working to improve wellbeing. He added that there is probably lots of work being carried out to help support the staff wellbeing but he felt it would be helpful for the Committee to get an update on what is going on.

Following consideration the Committee agreed to note:

i)	the performance of local indicators for Quarter 1 (April to June 2023) as presented in the Performance Report at Appendix 1; and
ii)	the analysis of the local indicators that have been highlighted and actions being undertaken to address performance that is outside of acceptable target ranges as detailed in Appendix 1.

7. Internal Audit Section Update

A report by the Chief Internal Auditor asked Committee to consider the contents of the report; seek clarification on any points noted.

Following consideration the Committee agreed to note the audit update.

8. Strategic Risk Register

A report by the Chief Officer provided an overview for the Committee on the current strategic risks, along with a summary of actions which are in place to mitigate those risks, updated August 2023.

Following consideration the Committee agreed to:

i)	note the updated Strategic Risk Register included in Appendix 1; and
ii)	note the Strategic Risk Register will be further refined to align with the transformation, redesign and delivery plans as they evolve.

9. Update on Improvement Plan for Adult Social Care Commissioning

A report by the Head of Service/Chief Social Work Officer updated the Committee on progress regarding the improvement plan for Adult Social Care Commissioning in line with the external review conducted by KPMG, finalised in February 2023, since the last Committee meeting on 29 June 2023.

Following consideration the Committee agreed to note:

i)	the actions within the report; and
ii)	that further updates will be provided at the next Committee meeting, along with an updated Improvement plan.

10. Internal Audit Section Completed Projects

A report by the Chief Internal Auditor provided an update on audit work completed since the last meeting of the Committee.

Following consideration the Committee agreed to note the audit update.

11. Self-Directed Support Option 1 Audit Update

A report by the Service Manager, Provider Services informed the Committee in relation to the progress of the current work being undertaken to achieve the recommendations outlined in the most recent internal audit report regarding Self-Directed Support (SDS) Option 1.

Following consideration the Committee agreed to note the current progress relating to the Self Directed Support Option 1 audit report.

12. Self-Directed Support Option 2 and 3 Audit Update

A report by the Service Manager, Provider Services informed the Committee in relation to the progress of the current work being undertaken to achieve the recommendations outlined in the most recent internal audit report relating to SDS Option 2 and 3 delivery.

Following consideration the Committee agreed to note the current progress relating to the Self Directed Support (SDS) Option 2 and 3 audit report.

13. Client Monies Audit Update

A report by the Head of Service/Chief Social Work Officer informed the Committee of progress against recommendations outlined in the November 2022 Client Monies Internal Audit report.

Following consideration the Committee agreed to note the current progress relating to Client Monies Internal Audit Report.

14. Items for Escalation to MIJB

The Committee noted that there were no items for escalation to the Moray Integration Joint Board.

In response to Mr Riddell's concern about the mental health services, the Chief Officer suggested holding a Development Session on the topic prior to bringing a report to the IJB.

Mr Riddell confirmed that the Development Session would be really helpful to understand the pressures however it was important that the issues, what is being done etc is all minuted to ensure governance.

The Chief Officer confirmed that the Development Session would explore all areas before a fuller report to the Board.



**MEETING OF MORAY INTEGRATION JOINT BOARD
AUDIT, PERFORMANCE AND RISK COMMITTEE**

THURSDAY 31 AUGUST 2023

ACTION LOG

Item No.	Title of Report	Action Required	Due Date	Action By	Update for 26 October 2023
1.	Q1 Performance Report	Improved reporting in regards to staff absences and wellbeing.	February 2024	Sonya Duncan	HSCM is currently developing a Health, Safety and Wellbeing Strategy which will be shared at the next APR Committee meeting
2.	Q1 Performance Report	Information to be provided about the support that is on offer to staff to help improve their wellbeing.	February 2024	Sonya Duncan	AS ABOVE
3.	Items for Escalation to MIJB	Development Session on mental health services in Moray.	October 2023	Simon Bokor-Ingram	Development Session this afternoon
4.	Items for Escalation to MIJB	Report to MIJB following the Development Session on mental health services in Moray	November 2023	Katie Kinnear	Scheduled for 30 November



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 26 OCTOBER 2023

SUBJECT: QUARTER 2 (JULY TO SEPTEMBER 2023) PERFORMANCE REPORT

BY: CORPORATE MANAGER

1. REASON FOR REPORT

- 1.1 To advise the Audit, Performance and Risk (APR) Committee, that due to timetabling and data release conflicts, the Quarter 2 (July to September 2023) performance report will be presented at APR Committee 29 February 2024.
- 1.2 To present the Unmet Need data available to 4 October 2023.

2. RECOMMENDATION

2.1 It is recommended that the APR Committee consider and note:

- i) **the performance of local indicators for Quarter 2 (July to September 2023) will be presented at APR Committee in February 2024; and**
- ii) **the update on Unmet Need data**

3. BACKGROUND

- 3.1 The purpose of this report is to ensure the Moray Integration Joint Board (MIJB) fulfils its ongoing responsibility to ensure effective monitoring and reporting on the delivery of services and on the programme of work as set out in its Strategic Plan.

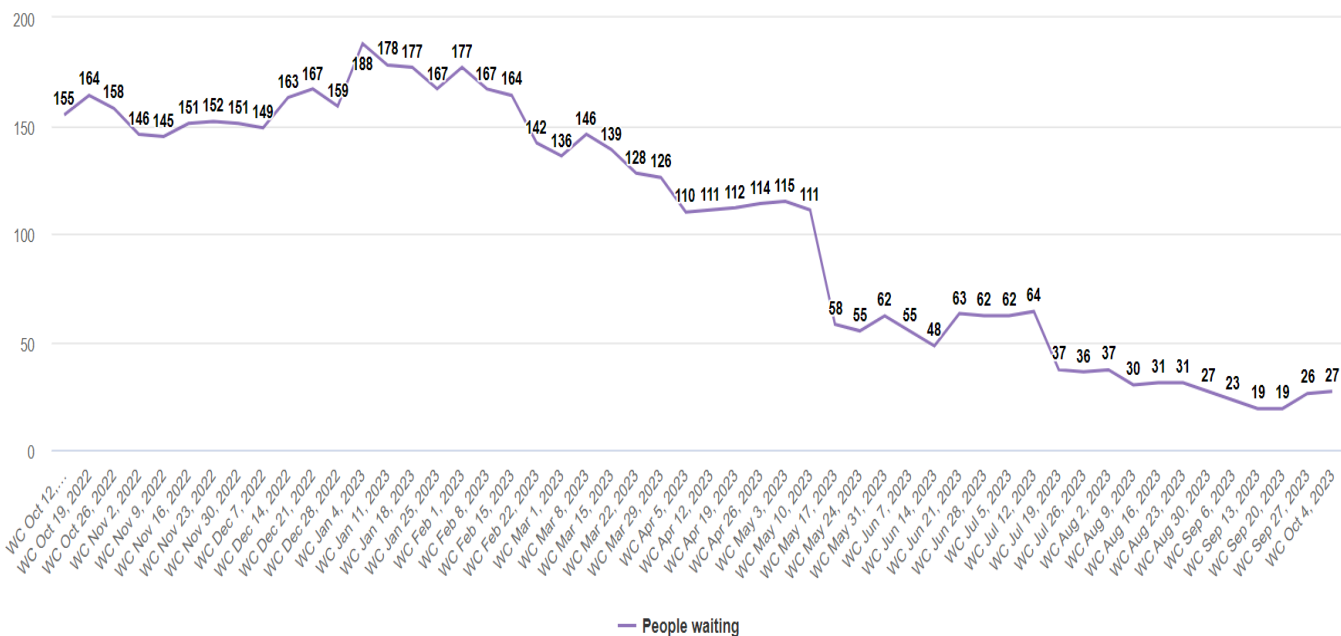
4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 Quarterly data is released on a quarterly schedule. Due to the timetabling of the APR committee in this quarter, there is insufficient time to allow this data to be analysed, presented and reported to APR committee.
- 4.2 The last Quarterly Performance Report was presented to committee on 31 August 2023 (para 6 of the minute refers).

- 4.3 The numbers of people awaiting a social care assessment has remained low over the last quarter following a test of change, which has now become business as usual, the lower numbers are being maintained.
- 4.4 The test of change involved the assessments being split across the 4 teams rather than solely the Access Team in the first instance.

Figure 2 - People awaiting a social care assessment

HSCM Unmet Need - Total Number of people waiting for a social care assessment-



- 4.5 The numbers of people who have been assessed and who are waiting for a package of care has now increased in the past quarter with 209 people waiting, (figure 3) in the week of the 4 October with a total of 1,593 hours of care outstanding, (figure 4). This is a 60% increase on the number of hours outstanding in March. A contributing factor to this increase is the reduction of time people are now waiting for assessment. There are a number of reasons for this increase and a certain number of mitigations in place.

Figure 3 - Number of people waiting for a package of care

HSCM Unmet Needs -Total Number of people assessed and waiting for a package of care-

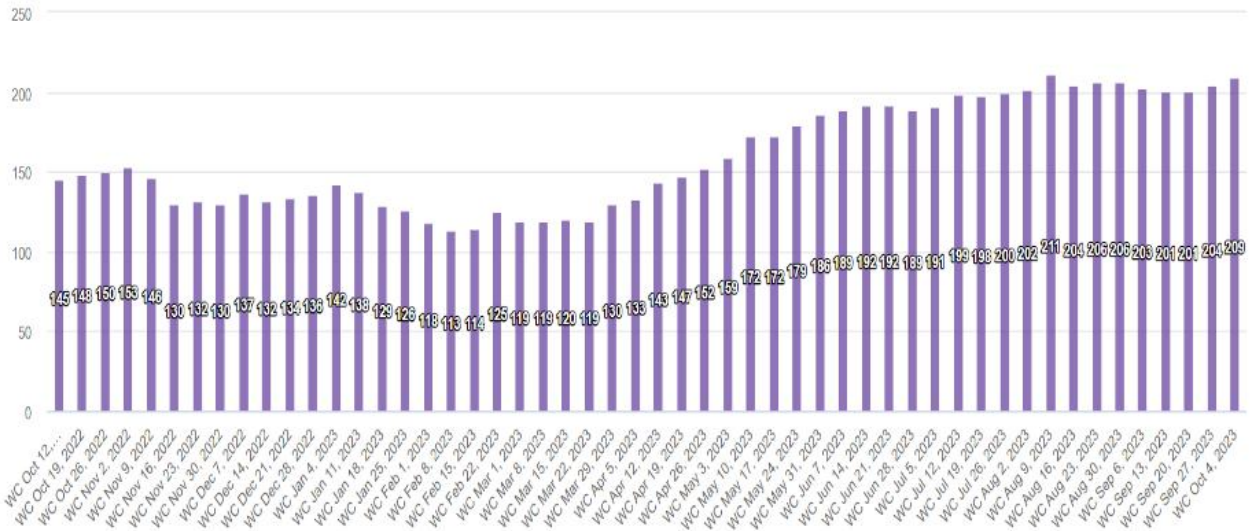
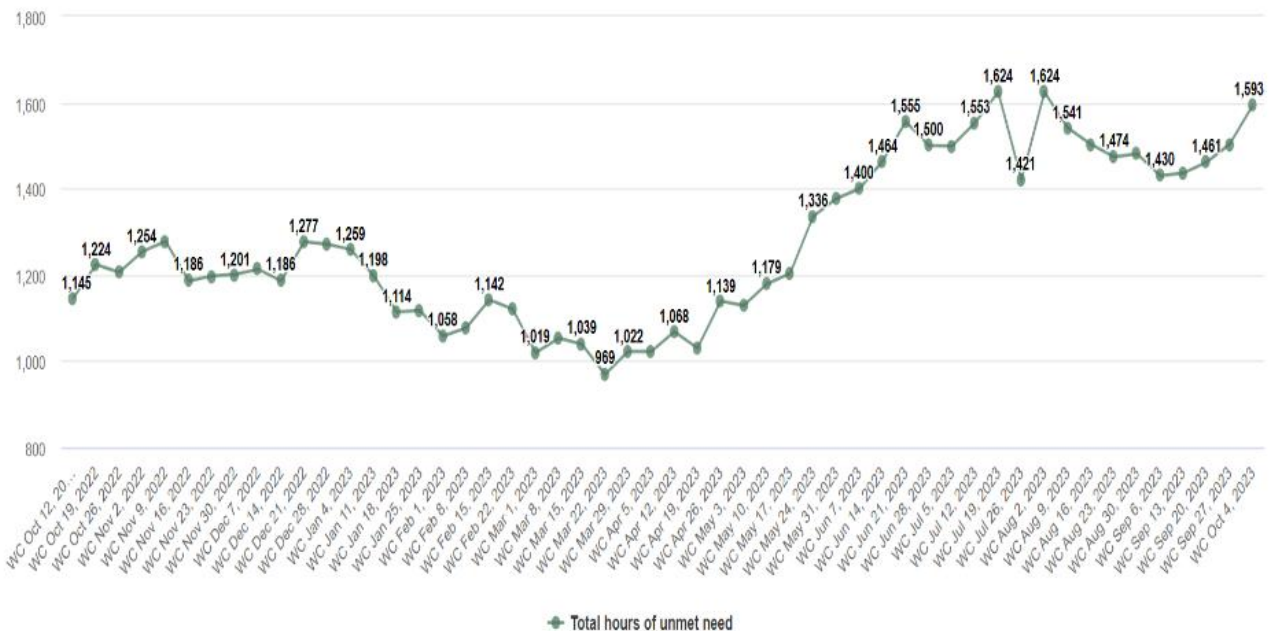


Figure 4 - Number of hours of care yet to be provided

HSCM UN-Hrs Total number of hours of care not provided each week



Reasons for increase

Acuity

4.6 There is an overall increase in both the acuity and complexity of individuals requiring a care package. Care packages will often require ‘double up’ visits numerous times per day, requiring a significant workforce resource. In striving to achieve the wishes of individuals to be cared for at home, Health and Social

Care Moray (HSCM) are following the principles of realistic medicine – involving service users in conversations regarding their care. The acuity rise is multi-faceted: waiting time on lists for physiotherapy and occupational therapies, chronic condition management, elective orthopaedic procedures all add to a steady decline in our service users' health and thus the requirements of the care package increase. Moray has an ageing population and although people are living longer, their health span, i.e. the number of years they stay healthy is not increasing. 54% of all persons over 65 have at least 2 chronic conditions (multi-morbidity). 31% of adults in Scotland live with a life limiting long term condition.

Mitigation: Prevention

- 4.7 There are a number of resources and approaches used to promote health prevention. These vary from social/green prescribing, signposting, physiotherapy and occupational therapy days. Green prescribing is a form of social prescribing that encourages individuals to engage with nature to improve their mental health. Realistic medicine and Making every Opportunity Count (MeOC) frameworks all support the individual affected to help themselves as much as they can, preferably before they need service input, or to prevent further decline. By involving the individual in discussions, choices and decisions about their care, HSCM are empowering individuals to take control, 'Building Resilience' as per one of our three strategic themes.
- 4.8 Making every Opportunity Count¹ encourages service staff to engage in conversations on lifestyle and life circumstances. This could include, for example, smoking, healthy eating, healthy weight, being physically active and alcohol intake, money and housing issues.
- 4.9 Physiotherapy and Occupational Therapy are about to embark on a series of days in localities where individuals on relevant waiting lists can attend a local facility for review. Previous case studies have seen this significantly reduce the waiting lists of these services, allowing prioritisation of resource.
- 4.10 Our well embedded Multi-Disciplinary Team wrap around our most vulnerable service users, encouraging the right care in the right place at the right time.
- 4.11 Our Focus on Frailty² work with Health Improvement Scotland supports the early identification and assessment of frailty and provides support to those identified and their families. It encourages an integrated working process pan Grampian, across our partnerships, involving Primary, secondary and tertiary care, as well as unpaid carers and third sector colleagues.

Lack of care home places

- 4.12 Moray has been operating between 98-99% occupancy in care homes since 2021. One care home closed permanently, three were under enhanced monitoring and therefore closed to admissions for an extensive period of time. A further three care homes were taken over as they went into receivership. A lack of available places has led to a captive market situation. The extensive administrative burden of both planned and emergency respite and any interim

¹ <https://www.hphsgrampian.scot.nhs.uk/>

² <https://ihub.scot/improvement-programmes/community-care/focus-on-frailty/about-focus-on-frailty/>

placement has seen some care homes decline respite or emergency/interim allocation. The cessation of non-recurring interim funds will further exacerbate the lack of places. Although care home places are limited, places are allocated according to a robust clinical and social risk matrix on the same day. Our neighbouring partnerships and boards are also competing for beds, as well as an increase in out of area requests, as care home bed shortage is a national issue.

Mitigation:

- 4.13 A percentage of our interim allocation is used to pay for care home beds as soon as they became available, reducing the competition from neighbouring boards and out of area. There are sufficient funds to continue to do this until March 2024 when this non-recurring fund will be depleted.

Carer failure, stress and exhaustion

- 4.14 A lack of available respite places, both planned and emergency has seen an increase in the request for emergency places due to carer exhaustion/ failure. Some carers have now been looking after their loved ones for a period of almost four years without a break, impacting on their own health.

Mitigation:

- 4.15 The process of tendering for a number of respite beds across Moray is underway. There are three end of life beds, two in the west and one in the east. Both West beds have only temporary funding and a review is in place to evaluate the need of these beds moving forward from March 2024.
- 4.16 There are a number of volunteer activities in place including Be Active Life Long (BALL) and Singing, Exercise and Tea (SET) groups, as well as Men's Shed. Work is actively progressing on the Self-Directed Support (SDS) process and the Shared Lives capacity. Shared lives are currently undertaking work with Improving Adult Care Together (IMPACT) to look at the issues regarding inequalities in rural areas.

Lack of respite places

- 4.17 Respite places are administratively heavy burdens for care homes and the acuity of users has meant that even HSCM facilities are unable to support them due to safe staffing criteria. Closures due to enhanced monitoring or regular enteric and Covid outbreaks have also impacted availability. The limited number of day service facilities available also impact on the stress of carers.

Mitigation:

- 4.18 Please see 4.15 – 4.17.

Cost of Living Crisis

- 4.19 An increase in the cost of living has seen carers having to return to paid work. This has reduced the number of families able to assist in the care of family members. Rising utilities costs have seen care homes struggling; they therefore take the most lucrative of offers (permanent, private nursing rate) to sustain their business. UK parliament has launched an inquiry to explore the effects the rising costs of living have on rural populations across Scotland, the final report is anticipated.

Mitigation:

- 4.20 Changes are in place to consider multi-faceted approaches to care with some providers providing elements of the care and families picking up the remainder. Increased respite service will ensure families get an appropriate break, and work continues to ensure this is equitable and planned where possible.

Retention of care at home / care home / care provider staff

- 4.21 There is an ongoing recruitment and retention programme across Care at Home, Care Providers and Care Homes. Despite pay raises and increased flexible working, the stress of the job is considerable. With so many health care support worker posts and carer posts being advertised, there is a flexibility with moving posts that is relatively new. The cost of fuel also sees staff reluctant to use their own vehicles. Fuel expenses are paid in arrears meaning staff are bearing the upfront cost and many are unwilling or unable to accommodate this in the current financial climate.
- 4.22 Moray has an ageing workforce coupled with an ageing population, which sees the dominant group of our carer staff aged 50 years and over. The desire for part time working is also high, often based on age or carer/childcare responsibilities. This is also a national trend, reflected in Primary and Secondary care workforces in particular.
- 4.23 Absences remain constant at 7% across both Moray Council and NHS Grampian. The main reasons for absence are mental health and musculoskeletal injuries. This also is a national shift with the UK claiming the entire workforce has unprecedented absence levels at present.³

Mitigation:

Enhanced absence monitoring and action plan

- 4.24 All services are looking at robust absence monitoring ensuring services are operating, where possible, at a safe absence rate, planning for contingency during holiday periods when sickness unfortunately increases. Work is ongoing to support staff and try to reduce our mental health absences.

Pool cars

- 4.25 A pool car costs on average £40k per annum, however, a fleet would support the carers not wishing to use their own vehicles.

Walking Carers

- 4.26 Consideration is being given to employing carers who do not/cannot drive in an attempt to improve recruitment. This would also benefit in reducing any environmental impact. Consideration could be given to a minibus drop off within locations of multiple staff but would require a reworking of rotas which may not be viable in the more rural areas where houses are more spread out.

Best practice

- 4.27 Care at Home have regular best practice workshops and share their learning. Regular wellbeing initiatives are ongoing.

³[Sick days at work hit highest level for 10 years - BBC News](#)

Location of service user

- 4.28 Any care resource available is allocated using a dynamic risk matrix that assesses the clinical needs and social requirements of a package. Care is allocated immediately as it becomes available but can be limited by location. Recruitment remains a challenge to areas such as Buckie and Lossiemouth, but the allocation of care packages does not reflect that, due to the careful management by the services.

Mitigation:

- 4.29 Care at Home and START managers will continue with their careful management of allocation. These actions are scrutinised at the Portfolio flow meetings which occur three times a week. A strategic Care at Home Group and operational development workshops are now established.

Pandemic impact

- 4.30 Services continue to recover from the impact of Covid-19 which saw elective procedures, and all critical services reduced or ceased. This has resulted in extensive waiting lists for most services such as orthopaedics, physiotherapy, occupational therapy and long term condition reviews and management. Interim non-recurring funding was received from the government to help with acute flow, in particular with the purchase of care home beds. Due to a lack of care packages, a six week stay became a two year stay for some, making the likelihood of returning home considerably reduced.

Mitigation:

- 4.31 Dr Gray's Hospital and Allied Health Professionals (AHP) services continue to reduce their waiting lists in the safest way possible. As mentioned previously, physiotherapy and occupational therapy review days across Moray will hopefully reduce the waiting list size allowing prioritisation of resource to where it is most needed. Increased early identification inpatient support in Dr Gray's and the community hospitals encourages a faster recovery, albeit it may not be the same level they were admitted with, depending on their clinical state.
- 4.32 A successful bid was granted for HSCM to join Health Improvement Scotland 'A Focus on Frailty'.
- 4.33 Our priorities and Primary Drivers:
- Person-centred care through co-production with people living with frailty, carers and family members to design systems and processes with and around the person
 - Creating conditions for integrated frailty services which would include co-production between health, social care and the third sector with access to frailty resources and aids
 - Early identification and assessment of frailty with early assessment, diagnosis and ongoing holistic shared assessment
 - Proactive cross sector planning and management to anticipate changes to health and support and also progression of frailty with proactive individualised support in the right setting
 - Engaging the public in healthy ageing through increasing public awareness and self-management.

- Digital health investment; research and development for a personal data store for each service user, Care in Place living lab which focusses on our most challenging areas.

4.34 The areas which were most challenging for older people and their families included:

1. Long waiting times for assessment and care packages
2. How to prevent a crisis that leads to hospital admission
3. Tackling loneliness which was exacerbated during Covid-19 and in a rural context is more problematic
4. The level of services needed by the community outweighs the capacity of the workforce
5. Additional pressure placed on unpaid carers.

Delayed Discharges

4.35 An extended period of delay in hospital due to a lack of care package increases the frailty of the patient, reduces their independence and leads to them becoming increasingly institutionalised. This can also be said of their families who fear they will not be able to maintain the standards of 24/7 care seen in an acute setting. Our predominant reasons for delay are always for long term home care, followed by nursing care home places.

Mitigation:

4.36 All stays over 90 days are added to the Datix system and managed by the Lead Operational Nurse. They are subject to enhanced monitoring and will be escalated via the clinical governance and clinical risk management groups. Robust delayed discharge plans are in place and the multi-disciplinary team working is well embedded, all our resource decisions are monitored at portfolio flow and delayed discharge meetings.

4.37 Regular Care at Home workshops continue, evidence based change continues, including analysis and enhanced monitoring of the Brokerage lists and a minor change in End of Life (EOL) pathway from Dr Gray's Hospital to care homes. Daily huddle meetings continue that includes studying delayed discharges.

Period of examination

4.38 The period of reporting for this report is over the holiday period - national trends show a propensity for care requests increasing⁴. This is due to increased financial pressures on families during school holiday periods in particular. This period, and the winter period, December to March would expect to see the highest figures in both request for care coupled with increased hours of care required.

⁴ 1 Stewart, H., Watson, N. & Campbell, M. (2018) 'The cost of school h

holidays for children from low income families', *Childhood*, 31 May 2018,

<http://journals.sagepub.com/doi/10.1177/0907568218779130>

Child Poverty Action Group in Scotland (2015) The Cost of the School Holidays

<http://www.cpag.org.uk/sites/default/files/CPAG-Scot-Cost-School-Holidays-full%20report.pdf>

Risk Appetite

- 4.39 There is always a balance between the demand for care and what HSCM can facilitate. HSCM are increasing the risk appetite to look at other ways of providing the best care possible, using hybrid versions of care involving paid care, family or unpaid carer support and third sector and volunteer agencies.

5. SUMMARY OF IMPLICATIONS

a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Partners in Care 2022-2032”

Performance management reporting is a legislative requirement under Section 42 of the Public Bodies (Joint Working) (Scotland) Act 2014.

In addition to publishing an Annual Performance Report, the Moray Integration Scheme requires that the MIJB will “monitor the performance of the delivery of integrated services using the Strategic Plan on an ongoing basis” (para 5.2.2 of the Moray Integration Scheme refers).

b) Policy and Legal

None directly associated with this report.

c) Financial implications

None directly associated with this report.

d) Risk Implications and Mitigation

There are no risk issues arising directly from this report. The long-term impact of the COVID-19 on the Health and Social Care system are still unknown and performance measurement will remain flexible to enable the service to be prepared and react to any future developments.

e) Staffing Implications

None directly associated with this report.

f) Property

None directly associated with this report.

g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not required for the Performance Framework because there will be no impact, as a result of the report, on people with protected characteristics.

h) Climate Change and Biodiversity Impacts

No climate change or biodiversity implications have been determined for this policy/activity. It should be noted that extreme weather events, such as the recent storms, are expected to occur more frequently and with greater ferocity in future years. In the longer-term there are likely to be issues with the reduction in availability and increases in costs of fossil fuels that will pose challenges for the delivery of care services to people living in rural areas.

i) Directions

There are no directions arising from this report.

j) Consultations

Senior Management Team, Operational Managers, Health and Social Care, Caroline O'Connor, Committee Services Officer, Moray Council and their comments are incorporated in the report.

6. CONCLUSION

- 6.1 This report provides the MIJB with an overview of the latest unmet need in social care. Due to the unavailability of data for this committee due to scheduling overlap, the Quarter 2 performance report will be presented to committee in February 2024.**

Authors of Report: Bruce Woodward, Performance Support Officer, Operational Management Team and Sonya Duncan, Corporate Manager

Background Papers:



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 26 OCTOBER 2023

SUBJECT: INTERNAL AUDIT SECTION - UPDATE REPORT

BY: CHIEF INTERNAL AUDITOR

1. REASON FOR REPORT

1.1 Committee is asked to consider the contents of this report; seek clarification on any points noted and otherwise note the report.

2. RECOMMENDATION

2.1 The Audit, Performance and Risk Committee is asked to consider and note this audit update.

3. BACKGROUND

3.1 Public Sector Internal Audit Standards (PSIAS) require the Chief Internal Auditor to prepare and present reports to committee on internal audit's activity relative to the audit plan and on any other relevant matters.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

Audit Plan 2024/25

4.1 Preparation has begun to agree on the Audit Plan for 2024/25. Internal Audit's approach to annual audit planning is risk-based with all areas which may be subject to audit review contained within an 'audit universe.' The audit universe is reviewed and updated on an ongoing basis to include all significant activities and systems.

4.2 The consultation process will also provide the opportunity to remind officers of established timescales for responding to requests for information during an audit review and to the recommendations within the audit report. However, Internal Audit appreciate the significant workload demands on officers and will always try to accommodate any requests for changes in reporting arrangements.

Follow Up Reviews

4.3 Internal Audit reports are regularly presented to Elected Members detailing not only findings but also the responses by management to the recommendations with agreed dates of implementation. Internal Audit will also undertake follow up reviews to evidence the effective implementation of these recommendations. Please see detailed the following completed follow up reviews:

Self Directed Support (SDS)

4.4 An audit has previously been undertaken into the financial monitoring arrangements within the SDS Team for direct payments made to service users. The audit checked for effective procedures in the monitoring of funds issued to service users. This involved the random selection of a sample of care packages and a check made to ensure compliance with operating procedures, expenditure incurred by the service user is in accordance with the agreed budget and support plans, and surplus funds are recovered from service users where appropriate. A follow up review to evidence implementation of the recommendations found a number remain outstanding. However, it was pleasing to note that the Service is committed to implementing all the recommendations, with the progress of the work being undertaken reported to members at the Audit, Performance and Risk Committee on 31 August 2023 (para 7 of the minute refers). The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 1**.

Client Monies

4.5 An audit was undertaken of how Health and Social Care officers manage income held for individuals under Corporate Appointeeship Arrangements. Where no alternative exists, the Council can make an application to the Department for Work and Pensions (DWP) for a named officer to become the "Corporate Appointee" and have the legal authority to manage an individual's personal finances. The audit involved a review of the procedures undertaken by the Community Care Finance Team into how they manage client funds held within the corporate bank account. In addition, a sample of individuals was also selected, and a check was made on how the Health and Social Care officer appointed as the named 'Corporate Appointee' manages and supports individuals to access and use their funds appropriately. The follow up review to evidence implementation of the recommendations found all apart from 5.04 had been implemented. Recommendation 5.04 concerns the requirement to undertake a full review of current cash handling procedures for monies withdrawn for distribution to meet the needs of service users. The Senior Management Team has accepted the need for this recommendation, but implementation is not possible as a reorganisation of the Service is currently being considered. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 2**.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Partners in Care 2022 – 2032”

Internal audit work supports good governance and assists in securing appropriate systems of internal control.

(b) Policy and Legal

The internal audit service is provided in terms of paragraph 7:1 of the Local Authority Accounts (Scotland) Regulations 2014, and there is a requirement to provide a service in accordance with published Public Sector Internal Audit Standards.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications

Audit reports highlight risk implications and contain recommendations for management to address as a means of mitigating.

(e) Staffing Implications

No implications directly arising from this report

(f) Property

No implications.

(g) Equalities/ Socio Economic Impacts

No implications.

(h) Climate Change and Biodiversity Impacts

None directly arising from this report.

(i) Directions

None arising directly from this report.

(j) Consultations

There have been no direct consultations during the preparation of this report.

6. CONCLUSION

6.1 This report provides committee with an update on internal audit work progressed in the latest review period.

Author of Report: Dafydd Lewis, Chief Internal Auditor
Background Papers: Internal Audit Files
Ref: mijb/ap&rc/26102023

Moray Council

Internal Audit Section

BODY: Health & Social Care Moray

SUBJECT: Self-Directed Support

REPORT REF: 22'013

Follow Up Audit Review

Moray Council

Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.

Moray Council

Internal Audit Section

No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
Key Control: Clear and current policy documents and operational guidelines have been developed for the financial administration of SDS packages.					
5.01	The SDS Direct Payment guidance and financial monitoring procedures should be reviewed and updated on a regular basis.	Low	Yes	30/04/2022	Implemented. Financial Monitoring Procedures were updated in October 2021 and SDS Direct Payments Guidance was revised in April 2022.
Key Control: Financial reviews are being carried out to monitor the usage of SDS funding in accordance with operational guidelines.					
5.02	Annual financial reviews should be undertaken in line with the direct payment financial monitoring procedures.	High	Yes	31/01/2022 (Revised Implementation Date 31/08/2023)	Outstanding. 4 temporary positions have been approved and recruitment is currently in progress. Additional resources will allow the backlog of financial reviews to be worked through and an annual review routine to be established going forward. Dependent on temporary positions being extended beyond March 2024, a revised date for recommendation implementation is set at 30/09/2024.
5.03		Medium	Yes	31/12/2021	

Moray Council

Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
	Consideration should be given to the routine production of reports from the Care First System which can be used to detail financial reviews falling due and allow management to prioritise workloads accordingly. The requirement of manual spreadsheets should be minimised wherever possible to ensure information reference points come direct from the Care First system.				Implemented. Reports are being produced by the CareFirst system to detail financial reviews due and their priority.
5.04	A risk based approach should be initiated by management to prioritise outstanding financial	High	Yes	31/12/2021 (Revised Implementation Date)	Implemented. Targeted prioritisation is now in place with a policy of prioritisation of reviews of

Moray Council

Internal Audit Section

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.		Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation	
	reviews and work through the backlog in an order which makes best use of limited resources.			31/08/2023)	unmanaged accounts, early reviews 3 months after package commencements, closing reviews and where service has been made aware of discrepancies.	
5.05	A reminder should be issued to service users, and approved payroll providers where applicable, to inform the Authority when funds in excess of the contingency amount are held. This may assist in the prioritisation of early financial reviews and highlight issues for further investigation.	High	Yes	30/04/2022	Implemented. Initial reminders were issued and are now scheduled annually each January, incorporated into an annual data check.	

Moray Council

Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
5.06	A review should be undertaken of all Service Users in regard to the current balances held within their SDS bank account. Action should then be taken to recover excess funds.	High	Yes	30/04/2022 (Revised Implementation Date 31/08/2023)	Part Implemented. The majority of account balances have now been obtained and 4 temporary posts have been approved to complete the backlog and move forward with routine financial reviews in line with timescales set for the service. As in 5.02, a revised date for recommendation implementation of 30/09/2024 has been agreed.
5.07	In compliance with established procedures, one-off direct payments should be subject to a financial monitoring review 3 months (or in limited circumstances at another interval)	Medium	Yes	30/04/2022 (Revised Implementation Date 31/08/2023)	Part Implemented. Work on the backlog of one-off direct payment reviews is in progress and is being addressed. A revised implementation date of 31/03/2024 has been agreed for full implementation.

Moray Council

Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
	after the funding has been distributed to confirm its appropriate usage.				
5.08	The Service should comply with the monitoring requirements detailed within an agreement between the Council and Service User for the purchase and adaptation of a mini van.	Medium	Yes	31/12/2021 (Revised Implementation Date 31/03/2023)	Part Implemented. Partial checks on contract requirements have been undertaken to date. The first MOT of the vehicle is now falling due and evidence of this is to be collated. On an ongoing annual basis, insurance, MOT and service detail will be obtained. A revised implementation date of 31/12/2023 has been agreed for full implementation.
5.09	Closing financial reviews of SDS care packages should be undertaken in accordance with	Medium	Yes	31/12/2021 (Revised Implementation Date	Outstanding. Aligned to 5.02 and 5.04. Closing reviews are being prioritised within the work programme but the backlog requires to be cleared by additional resources.

Moray Council

Internal Audit Section

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.		Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation	
	agreed procedures. Evidence should be retained of any expenditure outwith the agreed support plan and of the full discussions held and decisions made by Social Workers regarding retrospective authorisation.			31/08/2023)	A revised implementation date of 30/09/2024 has been agreed.	
Key Control:						
SDS Funding is only used to support the service user's support plan outcomes and compliance is monitored to ensure public funds are spend appropriately.						
5.10	Care and Support Plans should be reviewed annually to ensure the agreed care is being provided and continues to meet the service	High	Yes	01/05/2022 (Revised Implementation Date 31/08/2023)	Outstanding. Work is being undertaken with Social Work to develop a strategy to ensure all reviews are completed in time. This recommendation has also been made in the recent SDS Option 2/3 internal audit report in which an implementation date of	

Moray Council

Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
	user's needs.				30/09/2024 has been agreed.
5.11	All Social Workers should be reminded of the requirement to inform the SDS Team of any amendment to a Support Plan that will have a financial change to a service user's care package.	High	Yes	01/12/2022	Implemented. The SDS Team have reminded Social Work Teams regarding the requirement to refer support package changes where there is a financial implication.
Key Control: SDS service has effective arrangements in place to monitor support packages and report on performance.					
5.12	Consideration should be given to the development of appropriate performance monitoring measures to be reported to	Low	\Yes	30/09/2022 (Revised Implementation Date 31/03/2023)	Implemented . Revised arrangements have been implemented for monitoring performance of the SDS Team. Regular meetings are utilised

Moray Council

Internal Audit Section

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.		Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation	
	service management on a regular basis. Given the current backlog of reviews and consequences of direct payment accounts not being scrutinised on a timely schedule, it may be beneficial for performance information to be made available for management to identify any resourcing issues arising and assess risks involved.				to discuss performance, monitor progress and escalate any concerns to the Service Manager. Resourcing issues have been considered by the Senior Management Team and additional support posts approved to increase service capacity.	

Moray Council

Internal Audit Section

DEPARTMENT: Health & Social Care Moray

SUBJECT: Client Monies

REPORT REF: 22'011

Follow Up Audit Review

Moray Council

Internal Audit Section

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.		Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation	

Moray Council

Internal Audit Section

Key Control: Clear and current policy documents and operational guidelines have been developed for the financial management of client monies.					
5.01	The Procedures for Managing Service User's Money and Corporate Appointeeship should be reviewed and updated and a subsequent regular cycle of review maintained.	Medium	Yes	31/10/2022 (Revised Implementation Date 30/06/2023)	Implemented. Procedures have been reviewed and updated and have been approved by the Senior Management Team at the end of September 2023. Review of the procedures has been scheduled for October 2024.
5.02	Procedures for the management of client monies should be promoted to ensure there is an awareness of their requirements by all officers involved in client finance administration.	Medium	Yes	31/10/2022 (Revised Implementation Date 30/06/2023)	Impl emented. The new procedures have been distributed to all relevant officers immediately following their approval and are available electronically for ease of reference on the Adult Social Care Policies and Procedures page of the Council Interchange.

Moray Council

Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
Key Control:					
Correct formal powers to administer client monies have been obtained.					
5.03	<p>Clarification should be obtained from Legal Services regarding the length of time funds must be retained on behalf of deceased clients and potential action which can be taken should the funds not be claimed within the timeframe.</p> <p>Consideration should also be given to holding these funds separate to the corporate bank account for increased visibility.</p>	Medium	Yes	31/10/2022	<p>Implemented. A process is now in place for active pursual of estate settlement and referral to National Ultimus Haeres Unit to aid fund dispersement where applicable.</p> <p>A separate balance record is being maintained for increased visibility of deceased client funds and to record actions taken.</p>

Moray Council

Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
Key Control:					
All transactions should be for benefit of the client with justifiable supplier selection, verified to source documentation and in line with the client's Financial Management Plan. Any cash held is done so securely and with full accounting arrangements.					
5.04	Due to changes in operating practices a full review of current cash handling procedures should be undertaken. The review should include a risk assessment to ensure best practices are followed regarding the safety and security of both officers and client funds. Documented procedures should thereafter be updated to reflect any agreed changes.	High	Yes	31/07/2022 (Revised Implementation Date 31/07/2023)	Part Implemented. Elements of the cash handling procedures have been reviewed and practices revised to increase safety and security of client funds. A full review is not deemed practical at this point due to an impending service review and potential office relocations but will be undertaken once the future administration arrangements for client funds are determined. The Senior Management Team have accepted the risk of current practices in the interim

Moray Council

Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
					period.
Key Control:					
Robust records of fund administration per client are maintained.					
5.05	Confirmation of the monthly reconciliation of the Corporate bank account to manual records should be undertaken by Community Care Finance management. This should also include the verification of a sample of transactions to source documentation.	High	Yes	31/05/2022	Implemented. There is now a monthly management check of the corporate bank account reconciliation and a sample of transactions are independently checked for validity. The follow-up exercise has resulted in further enhancements to the management check being advised such as types of transactions for increased focus, which will increase the strength of the scrutiny process.

Moray Council

Internal Audit Section

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 26 OCTOBER 2023

SUBJECT: STRATEGIC RISK REGISTER – OCTOBER 2023

BY: CHIEF OFFICER

1. REASON FOR REPORT

1.1 To provide an overview of the current strategic risks, along with a summary of actions which are in place to mitigate those risks, updated October 2023.

2. RECOMMENDATION

2.1 It is recommended that the Audit, Performance and Risk Committee agree to:

- i) consider and note the updated Strategic Risk Register included in APPENDIX 1;**
- ii) ask the Committee to consider a change to the reporting schedule of the Strategic Risk Register, allowing to report biannually instead of quarterly. This will allow time for development, planning and improvement of the Register content; and**
- iii) note that any significant changes to the register outwith the reporting cycle would be presented at the first opportunity.**

3. BACKGROUND

3.1 The strategic risk register is reviewed regularly by the Senior Management Team as part of a robust risk monitoring framework, to identify, assess and prioritise risks related to the delivery of services in relation to delegated functions, particularly any which are likely to affect the delivery of the Strategic Plan.

3.2 The Moray Integration Joint Board (MIJB) Strategic Risk Register is attached to this report at **APPENDIX 1** and sets out the inherent risks being faced by the MIJB, together with a current assessment on the level of the risks and mitigating actions being taken to reduce the impact of the risks. This report is also presented to Clinical and Care Governance Committee for their oversight and comment.

- 3.3 Risk scores are weighted, based on assessment according to their likelihood and corresponding impact, as per Section 5 of the MIJB Risk Policy.
- 3.4 The Strategic Risks received an initial review to ensure they align to the Moray Partners in Care 2022-2032 Strategic Plan which was agreed at MIJB on 24 November 2022 (para 14 of the minute refers).

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 The Risk Management Framework review was completed and outcome was approved by the Board on 25 June 2020 (para 9 of the minute refers). The approved Risk Appetite Statements have been included in **APPENDIX 1**.
- 4.2 The recovery from the Covid-19 pandemic continues. However, there has not been any relief in the system, and it continues to challenge an already pressured system.
- 4.3 The senior leadership teams continually consider the appetite for risk whilst planning and effecting transformational change and redesign, despite operating within a very finite budget.
- 4.4 Work continues across teams to ensure the Risk Register is updated in the timescales dictated by the criteria. Work continues to support teams with this.
- 4.5 Mapping of the recently delegated services is required to ensure all statutory and regulatory governance arrangements are being met, without unnecessary duplication.
- 4.6 There is significant financial risk in the system. A provisional forecast of a £3,729,822 overspend was reported to MIJB on 28 September 2023 (para 5 of the minute refers). This poses a significant complexity to service planning and recruitment.
- 4.7 Recruitment and retention continues to provide challenges across all disciplines.
- 4.8 Annual winter planning has commenced across operational services ensuring they interlink with those of partners, whilst addressing the outcomes set by Scottish Government.
- 4.9 Work continues to give partnership wide overview of all operational risk registers.
- 4.10 The absence of a Strategy and Planning Lead will likely cause disruption to the many transformation plans that are currently ongoing. Senior Management Team will plan, monitor and discuss this going forward.
- 4.11 The continued safe delivery of services is a priority and as such, dedicated management time is being directed to support oversight of operational risks. The Grampian Operational Escalation System (GOPES) continues to be utilised to assist in the identification of pressure points across the whole

system so that they can be addressed and prioritised appropriately. These principals continue to be revisited across the system in Grampian.

5. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Partners in Care 2022-2032”**

The MIJB requires effective governance arrangements for those services and functions delegated to it and Risk Management systems are integral to this.

(b) **Policy and Legal**

As set out in the terms of reference, the Board has responsibility to provide assurance of the adequacy of the risk management framework.

There are no legal implications arising from this report.

(c) **Financial implications**

There are no direct financial implications arising from this report however the Board should note the failure to manage risks effectively could have a financial impact for the MIJB.

(d) **Risk Implications and Mitigation**

This report forms part of the governance arrangements for identifying and managing strategic risks of the MIJB. The risks are outlined in the body of the report in section 4.

(e) **Staffing Implications**

There are no additional staffing implications arising from this report.

(f) **Property**

There are no property implications arising from this report.

(g) **Equalities/Socio Economic Impact**

An Equalities Impact Assessment is not required because there are no service, policy or organisational changes being proposed.

(h) **Climate Change and Biodiversity Impacts**

There are no impacts arising from this report.

(i) **Directions**

None arising from this report.

(j) **Consultations**

Consultation on this report has taken place with the Senior Management Team.

6. **CONCLUSION**

- 6.1 **This report and appendices contains proposed risk appetite statements that, when approved, will underpin the MIJB approach to strategic decision making.**

- 6.2 The report outlines the current position and recommends the Committee note the revised and updated version of the Strategic Risk Register.**
- 6.3 The report recommends changing the reporting schedule to biannually.**

Author of Report: Sonya Duncan, Corporate Manager
Background Papers: held by HSCM
Ref:

HEALTH AND SOCIAL CARE MORAY STRATEGIC RISK REGISTER

AS AT **SEPTEMBER** 2023

RISK SUMMARY

1. The Moray Integration Joint Board (MIJB) does not function as set out within the Integration Scheme, Strategic Plan and in-line with Standing Orders and fails to deliver its objectives or expected outcomes.
2. There is a risk of MIJB financial failure in that the demand for services outstripping available financial resources. Financial pressures being experienced by the funding Partners will directly impact on decision making and prioritisation of MIJB.
3. Inability to recruit and retain qualified and experienced staff to provide safe care whilst ensuring staff are fully able to manage changes resulting from integration.
4. Inability to demonstrate effective governance and effective communication and engagement with stakeholders.
5. Inability to cope with unforeseen external emergencies or incidents as a result of inadequate emergency and resilience planning.
6. Risk to MIJB decisions resulting in litigation/judicial review. Expectations from external inspections are not met.
7. Inability to achieve progress in relation to national Health and Wellbeing Outcomes. Performance falls below acceptable level.
8. Inability to progress with delivery of Strategic Objectives and Transformation projects as a result of inability to resolve data sharing and data security requirements.
9. Requirements for support services are not prioritised by NHS Grampian and Moray Council.

RISK RATING	LOW	MEDIUM	HIGH	VERY HIGH
RISK MOVEMENT	DECREASE	NO CHANGE	INCREASE	

The process for managing risk is documented out with the MIJB Risk Policy.

1

Description of Risk: <i>Regulatory</i>	The Integration Joint Board (IJB) does not function as set out within the Integration Scheme, Strategic Plan and Scheme of Administration and fails to deliver its objectives or expected outcomes.	
Lead:	Chief Officer	
Risk Rating:	Low/ medium/ high/ very high	MEDIUM
Risk Movement:	Increase/ decrease/ no change	NO CHANGE
Rationale for Risk Rating:	<p>The strategic plan “Partners in Care 2022 to 2032” was approved by MIJB in November 2022. An amendment to the Scheme to increase membership by one from each of the partner organisations was ratified in March 2022 by the Scottish Government following due process and approval by Moray Council and NHS Grampian Board.</p> <p><i>There is a schedule of weekly meetings with the Chair/Vice Chair, Chief Officer, Chief Financial Officer, Strategic Planning Lead and Corporate Manager.</i></p> <p><i>The delivery plan for the new Strategic Plan “Partners in Care” 2022-32 was presented to MIJB in September 2023.</i></p>	
Rationale for Risk Appetite:	<p>The Board, staff and providers across Moray are all committed to ensuring high standards of clinical care & governance through operational policies. Innovation and new ways of working may mean traditional regulations do not exist, or are contradictory.</p> <p>We will only take regulatory risks knowingly, following consultation with the relevant regulatory body and where we have clear risk mitigation in place.</p>	
Controls:	<ul style="list-style-type: none"> • Integration Scheme. • Strategic Plan “Partners in Care” 2022-32 • Governance arrangements formally documented and approved by MIJB January 2021. • Agreed risk appetite statement. • Performance reporting mechanisms. • Consultation with legal representative for all reports to committees and attendance at committee for key reports. • Standing orders have been reissued to all members 	
Mitigating Actions:	<p>Induction sessions are held for any new IJB members. Further sessions are arranged for new appointees. Conduct and Standards training held for IJB Members in June 2022 provided by Legal Services. SMT regular meetings and directing managers and teams to focus on priorities. Regular development sessions held with IJB and System Leadership Group Strategic Plan and locality management structure is in place.</p>	
Assurances:	<ul style="list-style-type: none"> • Audit, Performance and Risk Committee oversight and scrutiny. 	

	<ul style="list-style-type: none"> • Internal Audit function and Reporting • Reporting to Board. • The Moray Transformation Board has recently recommenced and will support an oversight of planned business across HSCM.
Gaps in assurance:	<p>The new strategic delivery plan and will incorporate the work being taken forward for Self-Directed support, Hospital at Home and Locality Planning.</p> <p>Mapping of the recently delegated services will take place to ensure the statutory governance requirements and those of MIJB are met.</p>
Current performance:	<p>The Scheme of Administration is reported when any changes are required.</p> <p>Legal advisors are currently working on the requirements to the integration scheme in relation to the proposed The integrated scheme of delegation of Children’s and Families and Justice Services was presented and accepted by MIJB on 26th January 2023.</p> <p>The Governance Framework was approved by IJB 28 January 2021. Re-appointment of Standards Officer agreed by IJB 31 March 2022.</p> <p>Members Handbook has been updated and circulated to all members in June 2022.</p>
Comments:	<p>Strategic Planning and Commissioning Group approved the generic Terms of Reference and Chairs of the transformation boards at the meeting on 19 December 2019.-The Interim Strategy and Planning Lead is now taking this forward and prioritising and focusing on strategic planning and priorities over the short and longer term.</p>

2	
Description of Risk: <i>Financial</i>	There is a risk of MIJB financial failure in that the demand for services outstrips available financial resources. Financial pressures being experienced both by the funding Partners and Community Planning Partners will directly impact on decision making and prioritisation of MIJB.
Lead:	Chief Officer/Chief Financial Officer
Risk Rating:	Low/ medium/ high/ very high VERY HIGH
Risk Movement:	Increase/ decrease/ no change INCREASING
Rationale for Risk Rating:	<p>The 2023/24 settlement only saw funding for recurring commitments. There remains a significant pressure due to the recurring core overspend, since most of the new investment related to new commitments. Financial settlements are set to continue on a one year only basis, which does not support sound financial planning. In addition, the carried forward ear marked reserves have been significantly reduced with the clawback of the Covid reserve and reduction of the PSIF funding in 2022/23 . The impact of which will be to reduce the level of ear marked reserves in the MIJB.</p> <p>The Revenue Budget 2023/24 was approved by MIJB on 30 March 2023 as a balanced budget. A significant ambitious savings plan of £4.1 million was approved. Additional Scottish Government funding was provided again for 2023/24, this is to meet additional recurring policy commitments in respect of adult social care pay uplift for externally provided services and free personal and nursing care rates. As at quarter 1 a forecasted overspend of £3.7m is expected and with both partners having financial challenges a recovery plan and additional savings will be required to balance the budget.</p> <p>The update medium Term Financial Framework was presented as part of the budget papers on the 30th March 2023 this will be further reviewed during the 2023/24 year to ensure alignment with the recently reviewed Strategic Plan and for the delegation of Childrens Services and Criminal Justice.</p>
Rationale for Risk Appetite:	<p>The Board recognises the financial constraints all partners are working within. While we are cautious and open about accepting financial risks this will be done:</p> <ul style="list-style-type: none"> • Where a clear business case or rationale exists for exposing ourselves to the financial risk • Where we can protect the long term sustainability of health & social care in Moray
Controls:	<p>There is an interim arrangement for CFO cover from Moray Council. Permanent recruitment efforts have not been successful. The Chief Officer is working with both the Council and NHS Finance Leads to secure a longer term interim arrangement.</p> <p>The CFO and Senior Management Team have worked together to address furthe savings which were approved by the Board as part of the budget setting procedures for 2023/24. This will be a focus of continuous review to ensure any investment is made taking cognisance of existing budget pressures. A revised Financial Framework was presented to</p>

	the MIJB on 30 March 2023, and a further review will take place during the year . The Senior Management Team will continue to consider and plan for the financial challenges for 2023/24 and beyond.
Mitigating Actions:	<p>Risk remains of the challenge that the MIJB can deliver transformation and efficiencies at the pace required whilst dealing with the emerging financial pressures.</p> <p>Financial information is reported regularly to both the MIJB, Senior Management Team and System Leadership Group.</p> <p>The Chief Officer and Chief Financial Officer (CFO) continue to regularly engage in finance discussions with key personnel of both NHS Grampian and Moray Council.</p> <p>Chief Officer and CFO will continue to engage with the partner organisations in respect of the financial position throughout the year. Cross partnership performance meetings are in with partner CEOs, Finance Directors and the Chair/Vice Chair of the MIJB.</p>
Assurances:	MIJB oversight and scrutiny of budget. Reporting through MIJB, NHS Grampian Board and Moray Council.
Gaps in assurance:	None known
Current performance:	An overspend of £2,306,993 on Core services as at 30 June 2023 and for the 2023/24 financial year a provisional forecast of a £3,729,822 overspend was reported to the IJB on 28 September 2023 .
Comments:	Senior managers continue to work with Chief Officer and Chief Financial Officer to address the continuing financial challenge, continuing to seek efficiencies and opportunities for real transformation as we look to make efficient and effective investment in services that are truly transformational. There are additional pressures from the cost of living crisis, increasing energy bills, inflation and staff pay awards.

3	
Description of Risk: <i>Human Resources (People):</i>	Inability to recruit and retain qualified and experienced staff to provide and maintain sustainable, safe care, whilst ensuring staff are fully able to manage change resulting from response to external factors such as the impact of Covid and the actions that arose from the recommendations from the Independent Review of Adult Social Care 2021.
Lead:	Chief Officer
Risk Rating:	Low/ medium/ high/ very high HIGH
Risk Movement:	Increase/ decrease/ no change NO CHANGE
Rationale for Risk Rating:	<p>There continues to be issues with recruitment to front line services that require specific skills and experience. This continues to place pressure on existing staff. Allied Health Professions, Social Work and Nursing are some of the particular areas experiencing difficulties with obtaining people with the appropriate skills and training. Care at Home staffing levels are pressured for Internal services and externally with local providers all experiencing the same difficulties. There are also impacts on recruitment of Dentists and other graduates arising from Covid as the number graduating reduced during that period.</p> <p>The various impacts of Covid-19 has placed a significant strain on the Partnerships resources across frontline and support functions and this has resulted in delays for the progress of projects relating to the achievement of strategic objectives. HSCM continues to review the large number of fixed term and seconded posts. This will continue as temporary contracts conclude. It is hoped that this will improve some of the instability teams felt during the pandemic response. This will also allow consideration of post redesign, service needs and potential financial savings. This will continue to be reviewed by the Senior Management Team.</p> <p>Care Homes in Moray continue to face difficulties with recruitment and retention of staff. Efforts are being made to provide support but the situation remains challenging.</p> <p>The transition from EU membership has not presented any specific concerns for workforce and this will continue to be monitored.</p> <p>The impact of budget allocations and the withdrawal of all Covid funding will also mean that HSCM are facing challenging recruitment decisions in 2023.</p> <p>The impact of budgetary decisions by the Council in relation to reducing staffing levels has reduced levels of support provided in some key areas Health and Social Care Moray (HSCM), such as ICT, HR, Legal and design.</p> <p>The lack of suitable housing for Health and Social Care staff has resulted in people not being able to take up posts in Moray.</p> <p>GP sustainability remains a national issue.</p>

<p>Rationale for Risk Appetite:</p>	<p>Safety risks that could result in harm to service users, staff or the public are inherent in Health & Social Care services. The safety of individuals is paramount therefore standards of safety management and clinical care have to be high, and the Board will continue to seek assurances this is the case.</p> <p>The Board's ambition is for health & social care to be people centred. This means supporting people in decision making about their own health & care, which may expose individuals to higher risk where they make an informed decision.</p> <p>The Board will also seek to balance individual safety risks with collective safety risks to the community.</p>
<p>Controls:</p>	<p>Management structure in place with updates reported to the MIJB.</p> <p>Organisational Development plan in place and Workforce Plans are being updated to align to the new strategic plan. Continued activity to address specific recruitment and retention issues.</p> <p>Management competencies continue to be developed through Kings Fund training although this was suspended due to Covid19. A 2 day event was held on 16/17 May 2023, attended by the Senior Management Team as part of a Grampian wide event.</p> <p>Communications & Engagement Strategy was approved in November 2019 and continues.</p> <p>Council and NHS performance systems in operation with HSCM reporting being further developed and information relating to vacancies, turnover and staff absences is integral to this.</p> <p>Managers are highlighting any areas of concern and where appropriate this is identified in operational risk registers.</p> <p>Moray Council are carrying out a study of accommodation needs, including people working in the Health and Care sector.</p>
<p>Mitigating Actions:</p>	<p>System re-design and transformation.</p> <p>Organisational Development Plan and Workforce plan were updated and approved by MIJB in November 2019. The updated Workforce plan has been submitted to Scottish Government and comments were received by the HSCP in October 2022. These are currently being worked through.</p> <p>Staff Wellbeing is a key focus and there are many initiatives being made available to all staff including training, support, information and access to activities.</p> <p>Locality Managers have developed Multi-disciplinary teams in their areas and project officer support was been provided to develop the locality planning model across Moray.</p> <p>Lead Managers are involved in regional and national initiatives to ensure all learning is adopted to improve this position.</p> <p>Lead Managers and Professional Leads are linked to University Planning for intakes and programmes for future workforce development.</p>

	<p>HSCM are working with Digital Health and Care Innovation Centre as partners on the Digital Health Improvement programme to research and design innovative ways to address the needs of citizens, versus the challenges of recruitment and skills available within Moray.</p> <p>Incentives have been secured to try and attract additional NHS dentists and dental practices to our area. The Scottish Dental Access Initiative now includes Moray, with grants of £50,000 and above available to allow dental practices to be established or extended– provided there is a seven-year commitment to providing NHS treatment. A recruitment and retention bonus is also being offered to eligible new dentists in Moray.</p> <p>GP sustainability Group and Primary Care Vision for the Future Groups in situ.</p> <p>Work is underway across the system to consider the implications of the Health and Care (Staffing) (Scotland) Act 2019.</p>
<p>Assurances:</p>	<p>Operational oversight by Moray Workforce Forum has resumed and will report to MIJB in accordance with the agreed Governance framework.</p> <p>The HSCM Response Group continues to focus on leadership around emerging issues and resolving them, including staffing. The Heads of Service are co-ordinating and escalate to SMT where necessary. These meetings have been increased as service needs dictate.</p>
<p>Gaps in assurance:</p>	<p>Further work required to develop workforce plans to reflect strategic plan implementation programmes.</p>
<p>Current performance:</p>	<p>The iMatter survey results for 2023 were received by managers for review and action plans are now in place for implementation and review.</p> <p>Discussions are underway with HR in both Council and NHS to develop access to appropriate HR information at a summarised level to facilitate the necessary workforce planning and subsequent monitoring of plans.</p> <p>There continues to be a need for more streamlining in recruitment processes as the delay in approval to recruit to having a member of staff available is in excess of 8 weeks.</p> <p>There is also a lack of suitable applicants for various posts which is impacting on ability to appoint for some roles.</p>
<p>Comments:</p>	<p>Staffing issues are owned by the Systems Leadership Group who will work collaboratively across the system to seek opportunities to make jobs more attractive where it has proved difficult to recruit in the past.</p> <p>For some professions there is a potential risk that staff move from one position to a new position within HSCM will just move the vacancy to elsewhere in the system, so Senior Management Team are aware of this risk and taking it into</p>

account in considerations for vacancies. This needs to be considered when fixed term contracts and secondments are planned, consideration needs to be given to the whole of HSCM and not services in isolation. Many of our staff may have transferrable skills and experience.

The continuing system issues and lack of available beds may mean operations cannot be scheduled to reduce the backlog and key staff may not have the necessary time in surgery to maintain essential skills. This in turn may add to the staff retention issues within certain specialties.

4	
Description of Risk: <i>Reputation:</i>	Inability to demonstrate effective governance and effective communication and engagement with stakeholders.
Lead:	Chief Officer
Risk Rating:	low/medium/high/very high MEDIUM
Risk Movement:	increase/decrease/no change NO CHANGE
Rationale for Risk Rating:	<p>Performance framework to be further developed from a planning perspective to show the links through operational service delivery to strategic objectives.</p> <p>Feedback from community representatives and third sector organisations, across a variety of forums, highlighted issues. Clear focus and communications is required to ensure engagement and outcome needs are met.</p>
Rationale for Risk Appetite:	<p>The Board is aware of the importance of good relationships with stakeholders. It recognises many of our ambitions require effective collaboration, co-production and partnership working with a range of stakeholders. The board also recognises that not all partners will be able to move at the same pace, all the time.</p> <p>We are aware of the need to protect and maintain good working relationships with all partners and stakeholders in order to deliver the outcomes set out in our strategic plan.</p>
Controls:	<p>Governance Framework approved by IJB January 2021. A refresh of the Framework will be presented to Committee in November 2023.</p> <p>Communication and Engagement Strategy approved November 2019</p> <p>Annual Governance statement produced as part of the Annual Accounts 2022/23 and submitted to External Audit. The unaudited accounts and governance statement for 2022/23 were presented to MIJB June 2023 and the audited accounts will return to committee in October 2023 for agreement.</p> <p>Annual Performance Report for 2022/23 was published in July 2023.</p> <p>Performance reporting mechanisms in place and being further developed through performance support team, home first group and system leadership team.</p> <p>Community engagement in place for key projects areas such as Forres, Keith and Lossiemouth with information being made available to stakeholders and the wider public via HSCM website.</p> <p>Participation of stakeholders in a variety of meetings such as Home First project, carer strategy, Strategic, Planning and Commissioning groups.</p>
Mitigating Actions:	Schedule of Committee meetings and development days in place and implemented.

	<p>New relationships are currently being established with Grant Thornton, the MIJB's newly appointed external auditor for 2022/23. The principles of the Equalities Impact Assessment are now embedded in the business as usual processes within Health and Social Care Moray.</p> <p>Social media is actively used as a method of engaging with the public, with short videos focussing on particular services being trialled.</p> <p>SMT have considered the existing arrangements for engagement with stakeholders and work is being undertaken to align our framework with the Scottish Government "Planning with people guidance" and ensure that mechanisms are in place across services to evidence and evaluate their impact. A Public Engagement Communications Officer has now been appointed and started in post mid August 2023.</p>
Assurances:	<p>Oversight and scrutiny by Clinical and Care Governance Committee, Audit Performance and Risk Committee and MIJB.</p> <p>Summary reports of minutes of MIJB meetings are submitted to Council committee and NHS Board.</p>
Gaps in assurance:	<p>Progress on implementation of the Communication and Engagement Strategy was impacted by the Covid 19. More use is being made of social media and Microsoft teams and other options and methods for engagement with staff are being used via NHSG such as videos on YouTube and one question surveys.</p> <p>Going forward there may be more opportunity for face to face meetings to take place again but it should be considered that this will not be beneficial for all.</p>
Current performance:	<p>Communication, Engagement & Participation Framework was reviewed approved by IJB November 2019. This will be reviewed by the new Public Engagement and Communication Officer.</p> <p>The Unaudited Accounts for 2022/23 were approved in March 2023, presented to MIJB and APR Committee in June 2023 and are now being audited, with the audited accounts to be presented in October 2023. The Annual Performance Report for 2022/23 was published in July 2023 after being presented to MIJB in June 2023.</p>
Comments:	<p>A communication cell is now established as part of the Local Resilience Partnership response with representation from Emergency Services, Councils, HSCP and NHSG. This forum provides assurance that messages to all stakeholders are consistent.</p>

5	
Description of Risk: <i>Environmental:</i>	Inability to cope with unforeseen external emergencies or incidents as a result of inadequate emergency and resilience planning.
Lead:	Chief Officer
Risk Rating:	low/medium/high/very high HIGH
Risk Movement:	increase/decrease/no change NO CHANGE
Rationale for Risk Rating:	<p>As a result of the Covid 19 response, progress was made in a number of areas. SMOC information is updated, control room guidance updated and expanded, control centre protocols were implemented and remain in place and management teams have responded in an agile, responsive and collaborative way under very challenging conditions.</p> <p>Teams continue to do their best but there are areas where they still feeling overwhelmed and service delivery is challenging.</p> <p>With effect from March 2021 MIJB is defined as a Category 1 responder under the Civil Contingencies (Scotland) Act and there are additional requirements for preparedness that is being taken forward in partnership with NHSG and Moray Council emergency planners.</p>
Rationale for Risk Appetite:	The MIJB understand the requirement to meet the statutory obligations set out within the Civil Contingencies Act and the Category 1 status applied in March 2021, and work with partner organisations to meet these obligations.
Controls:	<p>Winter Preparedness Plans are being updated (but not tested as in previous years) with a delivery element sitting alongside the strategic plans. This is being rolled out via monthly meetings across all operational teams. Annual planning continues to dovetail with NHSG plans, and addressing the priorities outlined by Scottish Government.</p> <p>HSCM Civil Contingencies group meeting regularly to address priority subjects.</p> <p>NHS Grampian Resilience Standards Action Plan approved (3 year).</p> <p>Business Continuity Plans are now updated for most services and this review continues across HSCM.</p> <p>Knowledge of critical functions and ability to respond quickly and effectively has been in evidence during incidents such as Gas outages in Keith (January and February 2021) and Covid response, Storms (Arwen, Malik and Corrie) – debriefs carried out and learning identified.</p> <p>A Resilience Newsletter is now embedded as part of the winter planning and will inform staff of some personal resilience information together with resources for teams to plan.</p> <p>Regular updates to SMT and SLG regarding potential power outages across the country. Additional sessions were delivered to Primary Care Contractors to assist with their Business Continuity Planning around power outages.</p> <p>Regular system wide meetings to discuss potential Industrial Action implications and service planning.</p>

	<p>A review of the Festive season arrangements was completed and as a result all services are now required to provide information about service cover available over holiday long weekends which enables a more collaborative and supportive approach.</p>
<p>Mitigating Actions:</p>	<p>Information from the updated BIA/BCP informed elements of the Winter Preparedness Plan</p> <p>Daily Response Group continues, this allows the status of services across the whole system to provide information and contact details to the Senior Manager on Call (SMOC) over the weekend. If any potential issues are highlighted the relevant Persons at Risk Data is compiled and if appropriate, shared with relevant personnel.</p> <p>NHSG have introduced system wide daily huddles to manage the flow and allocation of resources which require attendance from Dr Grays and HSCM. The format and regularity of these are under review.</p> <p>HSCM continues to monitor the local situation regarding impacts on staffing and is engaged with NHSG emergency planning arrangements and Council Response and Recovery management team to be ready to escalate response if required. Work was undertaken within NHSG, Aberdeenshire HSCP and Aberdeen City HSCP to look at Surge flows and establish a mechanism that will provide easy identification of “hot spots” across the whole system in Grampian, to facilitate a collaborative approach to addressing the issues through the use of a common Operational Pressure Escalation approach. This work could underpin surge responses in winter and at other times of pressure and having a standard approach across Grampian could aid communication and understanding.</p> <p>NHSG and the three Health and Social Care Partnerships completed a considerable amount of planning for potential Industrial Action from staff groups. This has allowed for testing of a range of communications and plans to be tested and will continue to develop.</p> <p>A System Networking Over Winter (SNOW) Event took place 28 September, the event was attended by health and social care partners across Grampian and also some Local Resilience Partner Agencies. A tabletop exercise event was carried out to exercise how the parnters might work together.</p>
<p>Assurances:</p>	<p>Audit, Performance and Risk Committee and NHS Grampian Civil Contingencies Group oversight and scrutiny. HSCM Civil Contingencies group review specific risks and action plans to mitigate, developing plans and testing arrangements in partnership with NHSG and Council</p>
<p>Gaps in assurance:</p>	<p>Moray Integrated Joint Board (MIJB) was designated as a Category 1 responder under the Civil Contingencies Act 2004 from March 18th 2021. That designation imposed a number of statutory duties in terms of the Act and the associated Scottish Regulations. MIJB has no dedicated, specialist in post and is reliant on the Corporate Manager covering this</p>

	<p>The debriefs from the storms in 2021/22 have identified lessons learnt for Grampian Local Resilience Partnership and more locally for the response co-ordination within Moray. Actions were developed in collaboration with Moray Council's emergency planning officer to address the issues identified. The main issues related to developing wider awareness of roles and responsibilities, and improving general awareness of response structures and meeting protocols. This will be incorporated into training schedules going forward. It has also highlighted the need for a robust arrangement for out of hours contact and clarity of roles and responsibilities across the system which is being discussed at SMT. Option Appraisal discussions have commenced.</p> <p>Progress has been made however further work is required to address the targets in the implementation plan that have not been met and the Resilience standards as identified by the NHSG Civil Contingencies Group.</p> <p>The 'Care for People' strategic document has been approved by HSCM SMT and CMT. It was presented to MIJB in September 2023. A draft operational response plan has been drawn up and has been circulated within the Senior Leadership Group for comment. An information session including the 'Care for People' element was delivered on 2 May 2023, to senior managers who carry out the role of SMOc, this included input from Moray Council Emergency Planning Officer and NHS Grampian. An additional session was delivered 26 September, with a specific focus on the draft Care for People framework. A further tabletop exercise is planned for November 2023.</p> <p>Table top style exercises were carried out with some services who had submitted their finalised Business Continuity plans in February 2023.</p> <p>Development of a HSCM Persons at Risk Database (PARD) continues and all partners are now involved, looking to improve the quality of the data held. HSCM is also working with Aberdeen City, Aberdeenshire and NHS Grampian at a system wide approach. The system that currently records the data used for PARD is to be replaced, this function is integral to responding to incidents.</p>
<p>Current performance:</p>	<p>The Senior Management Team have undertaken 'Strategic Leadership in a Crisis' training since 2020 and continue to do so as the programme is delivered.</p> <p>Many services have business continuity arrangements and some are overdue for an update. Work has progressed in identification of a critical functions list for agreement by System Leadership Group that will inform planning arrangements going forward. There will need to be changes made to business continuity plans following the implementation of additional ICT resources in services which have provided a greater deal of resilience for some services and functions – albeit reliant on electricity supply. A schedule of review and exercising of business impact assessments and plans has been scheduled for this year across services. All services have been requested to prioritise their Business Continuity planning with a particular lens on power outages.</p>

	<p>Annual report on progress against NHS resilience standards was presented to the APR committee on 30 March 2023.</p> <p>Report on the implications and risks of the designation as a Category 1 responder was presented to MIJB 25 November 2021.</p> <p>Work is currently underway to plan for possible National Power Outages across the UK. This is being co-ordinated across Grampian to ensure all Partners are involved. Information/planning sessions were also delivered via HSCM to our Primary Care partners. They were invited to share emergency plans with the partnership.</p>
<p>Comments:</p>	<p>The requirements of a Category 1 Responder continue to increase in demand placing increased pressures across already overstretched services and managers. The Manchester Arena Inquiry has resulted in a focus on Category 1 responders responsibilities, together with an increase of additional policies and procedures to be written and implemented with no additional resource. MIJB does not have a subject matter expert leading on these topics.</p> <p>NHS Grampian identified that 54 buildings/areas within their estate may potentially have Reinforced Autoclaved Aerated Concrete (RAAC) within the structure. This is a lightweight form of concrete used mainly in roof, floor and wall construction in the UK from mid 1950s to mid 1990s and has been found to be at risk of destabilising. Surveys have not identified RAAC in any of the buildings within Moray. However, Primary Care Contractors, which is a hosted service within HSCM, may occupy buildings within Grampian that are affected. Work is ongoing to identify this. Only NHSG buildings have been surveyed to date.</p>

6	
Description of Risk: <i>Regulatory</i>	Risk to MIJB decisions resulting in litigation/judicial review. Expectations from external inspections are not met.
Lead:	Chief Officer
Risk Rating:	low/medium/high/very high MEDIUM
Risk Movement:	increase/decrease/no change NO CHANGE
Rationale for Risk Rating:	<p>Considered medium risk due to the impact of Covid-19 and resultant efforts required to remobilise services and/or the increase in workloads stretching a workforce that has been under sustained pressure for a considerable time.</p> <p>The ongoing impact of the Covid-19 pandemic recovery from the Covid-19 pandemic is stretching resources to deliver care in the community across all providers (internal and external) so there is a potential increased risk of expected standards not being achieved despite the best efforts of all concerned.</p>
Rationale for Risk Appetite:	<p>The Board, staff and providers across Moray are all committed to ensuring high standards of clinical care & governance through operational policies. Innovation and new ways of working may mean traditional regulations do not exist and require to be developed, no longer apply, or are contradictory.</p> <p>We will only take regulatory risks knowingly, following consultation with the relevant regulatory body and where we have clear risk mitigation in place.</p>
Controls:	<p>Clinical and Care Governance (CCG) Committee established and future reporting requirements identified Clinical Risk Management and Practice Governance group has oversight of their respective professional standards and links into Clinical and Care Governance Group, which escalates to CCG Committee as necessary. High and Very High operational risks are reviewed by NHS Grampian Clinical Risk Management and System Leadership Group monthly and a review of all risks will be undertaken as part of the risk management framework. Workshops took place in January and February 2023, 'A conversation about Clinical Governance'.</p> <p>A session on Risks and Risk Management was delivered to a wide ranging group of managers in HSCM in September 2023 by NHSG Risk Advisor. A trial has been started to transfer all risks onto Datix Risk Register platform to give oversight of all operational risk registers. This will be reviewed before rolling out across all services. Complaints, compliments and enquiry procedures are in place and are being reviewed and monitored.</p> <p>Clinical incidents and risks are being reviewed on a fortnightly basis to ensure processes are followed appropriately and consistently and responses are recorded in a timely manner.</p>

	<p>Adverse events and duty of candour procedures in place and being actioned where appropriate and summary reports submitted to CCG committee.</p> <p>Reports from external inspections reported to appropriate operational groups and by exception to SMT for subsequent reporting to CCG or Audit Performance and Risk Committee as appropriate.</p> <p>Care Home Collaborative Support Group meets to oversee and manage risks in care homes.</p> <p>Children and Adult Protection services are being delivered and reported to their respective committee on a regular basis.</p>
Mitigating Actions:	<p>This risk is discussed regularly by the three North East Chief Officers.</p> <p>Additional resource has been allocated to support the analysis of information for presentation to CCG committee</p> <p>All High and Very High risks are now brought before the Senior Leadership Group in Moray.</p> <p>Process for sign off and monitoring actions arising from Internal and External audits has been agreed</p>
Assurances:	<p>Audit, Performance and Risk and Clinical and Care Governance Sub-Committees oversight and scrutiny.</p> <p>Governance Framework in place and operational. This is currently being refreshed and will be presented to the CCGG Committee in November 2023.</p>
Gaps in assurance:	<p>Process for highlighting recurring themes or strategic expectations from external inspections requires further development to ensure Committee has sight of significant issues.</p>
Current performance:	<p>External inspection reports are reviewed and actions arising are allocated to officers for taking forward.</p> <p>Two Days of Care Survey took place across Moray on 25th and 26th January, 2023 respectively. These were led by the Clinical Service Leads. The findings of these events were compiled and outcomes are assessed by the relevant service leads and SMT. A further round of audits on Social Care will now be completed and a full report will be considered if necessary, dependant on outcomes. It is also planned to schedule this as a possible annual event.</p> <p>A summary of inspections is included in the Annual Performance report.</p>
Comments:	<p>No major concerns have been identified for HSCM services in any audits or inspections during 2021/22.</p> <p>An inspection of Childrens Services commenced in August 2023, this will take place over a number of months.</p>

7	
Description of Risk: <i>Operational Continuity and Performance:</i>	Inability to achieve progress in relation to national Health and Wellbeing Outcomes. Performance of services falls below acceptable level.
Lead:	Chief Officer
Risk Rating:	low/medium/high/very high HIGH
Risk Movement:	increase/decrease/no change NO CHANGE
Rationale for Risk Rating:	<p>Potential impacts to the wide range of services in NHS Grampian and Moray Council commissioned by the MIJB arising from reductions in available staff resources as budgetary constraints impact.</p> <p>Unplanned admissions and delayed discharges place additional cost and capacity burdens on the service.</p> <p>The level of delayed discharges has remained challenging, reflecting the sustained pressure in the system following the Covid -19 pandemic impact and the lack of availability of care in the community. There are sustained focussed and collective efforts by all those working in the pathway. However this is a complex area and will require continued effort to realise reductions and maintain them.</p>
Rationale for Risk Appetite:	<p>The Board is cautious but open about risks that could affect outcomes that are priorities for people in Moray. There is a slightly higher appetite to risks that may mean nationally set outcomes – that by design are not given a high priority in Moray - are not met. There is new focus on addressing positive risk taking to ensure the most appropriate and timely measure of care for the population of Moray, this is being supported through various work streams across the system.</p> <p>This will only be accepted where there is a clear rationale, and preferably also a way of demonstrating what the IJB is doing to meet the aspiration the outcome was created for.</p>
Controls:	<p>Performance Management reporting framework.</p> <p>2022 to 2032 “Partners in Care” Strategic Plan was approved and the delivery plan is now complete and was presented to MIJB in September 2023.</p> <p>Performance is regularly reported to MIJB. Revised Scorecard being developed to align to the new strategic priorities. Best practice elements from each body brought together to mitigate risks to MIJB’s objectives and outcomes.</p> <p>Chief Officer and SMT managing workload pressures as part of budget process.</p> <p>A daily Huddle and write up circulates the picture on performance across community and acute services for the Portfolio and service managers have a shared understanding of the pressures in the system and mitigations taking</p>

	<p>place. Work continues on refinement of G-OPES (Grampian Operating Pressures and Escalation System) led by NHSG but being developed locally to identify the triggers and resultant actions required in services to respond to pressure points.</p>
Mitigating Actions:	<p>Service managers monitor performance regularly with their teams and escalate any issues to the System Leadership Group (SLG) for further discussion to provide wider support, developing shared ownership and a greater understanding across the whole system.</p> <p>Key operational performance data is collated and circulated daily to all managers. A Daily dashboard is held on illuminate for managers to access to ensure any potential issues are identified quickly so action can be taken. This dashboard is being reviewed and will be further developed with the intention of further dashboards to provide a whole system overview. This has been discussed at SLG and agreed.</p> <p>Performance information is presented to the Performance sub group of Practice Governance Group to inform Social Care managers of the trends in service demands so that resources can be allocated appropriately.</p>
Assurances:	<p>Audit, Performance and Risk Committee oversight.</p> <p>Operationally managed by service managers, summary reports to Practice Governance and clinical and care governance group and to System Leadership Group. Strategic direction provided by Senior Management Team.</p> <p>HSCM Response Group continues to meet and reviews the key performance information and actions that are required to deliver the priority services.</p>
Gaps in assurance:	<p>Development work in performance to establish clear links to describe the changes proposed by actions identified in the Strategic Plan has recommenced but is at an early stage. This will be progressed as the revised outcomes are determined and associated KPI are identified. Progress will be reported to future Board meetings.</p> <p>Review of systems and processes will commence across HSCM to ensure they are fit for purpose and ensure that there are no indirect consequences of structure changes resulting in any gaps in assurance processes.</p>
Current performance:	<p>Services continue to recover from the pandemic and discover a new 'battle rhythm', taking into account all new learning and experience from the pandemic..</p> <p>There are likely to be changes to ways of working and this may also have impact on the performance information required. The Unmet need report continues to show improvement in a number of Performance Indicators, with a number of them now showing continued improvement over the longer-term.</p>
Comments:	<p>Locality profile information has been provided to Locality Steering Group/Locality Manager to inform potential priorities for consideration in Localities and work will be taken forward regarding development of performance monitoring and reporting of key performance indicators in relation to Localities once it has been determined what the intended</p>

outcomes are. Locality plans are now scheduled to report to MIJB on a quarterly basis.

The Portfolio Flow Group has produced an action plan for implementation and progress is being made. Practice Governance have reviewed their operational performance requirements and have a comprehensive data set used to inform operational priorities.

The Home First priorities are being taken forward and updates are reported to this committee or MIJB on a regular basis. This work is being undertaken across the Moray Portfolio to improve wider system flow.

Progress in this area has been hampered due to the increased demand for urgent or critical services requiring staff resource to be prioritised to frontline service delivery.

The Council has procured new modules for their performance reporting system Pentana and HSCM performance team have been developing its use for reporting.

HSCM are working in partnership with the Rural Centre of Excellence on transformation projects, the foundation of planning is addressing how we can improve the delivery of health and wellbeing outcomes and also the strategic aims of 'Partners in Care'.

8	
Description of Risk: <i>Transformation</i>	Inability to progress with delivery of Strategic Objectives and Transformation projects.
Lead:	Chief Officer
Risk Rating:	low/medium/high/very high HIGH
Risk Movement:	increase/decrease/no change NO CHANGE
Rationale for Risk Rating:	<p>There are many issues that will impact on the ability to progress to deliver Strategic Objectives.</p> <p>The Strategic Planning & Commissioning group has been refreshed and re-launched and key work is being progressed. There was an initial meeting held on 22 September 2021 to consider terms of reference and the proposed structure for oversight, prioritisation and assurance in relation to key developments, their fit with IJB strategy and enabling elements. The interim appointment of the Strategic and Planning Lead provides capacity to take this forward and to align the priorities arising nationally, Grampian-wide and locally.</p> <p>The remobilisation plan for HSCM services that were suspended or reduced is progressing with Providers services and social work implementing the IJB decision to return to delivery of both substantial and critical eligibility criteria. Work has progressed risk assessments are completed and assessments have been or are in the process of being reviewed to ensure equality.</p> <p>The impact of Covid 19 on the population of Moray is still not fully realised. It is therefore not possible to predict the extent of the impact on the ability to progress with delivery of Strategic Objectives. There are some aspects that have progressed very well such as introduction of Near Me consultations but there are others that are more difficult to progress.</p> <p>There is concern that due to the workloads and challenges over the last year that teams are weary and/or do not have capacity at this moment in time, to progress with delivery of development plans at this moment in time. In addition the pandemic is still present in the community so services are still responding to the impacts it has for the population of Moray. Managers are working with teams to establish “readiness” and their capacity and sense of wellbeing and the collated output will inform plans going forward.</p> <p>One key aspect to facilitate transformation is the need for progress in relation to ICT infrastructure, data sharing and data security across the whole system. Work was undertaken by NHS Grampian and partners to address the needs for ICT kit and information during the response to Covid.</p>

Rationale for Risk Appetite:	<p>The Board has a high appetite for risks associated with delivery of transformational redesign. The following should be considered when accepting these risks:</p> <ul style="list-style-type: none"> • We understand and can mitigate other risk types that may arise, e.g. safety or financial within appetite • Service users are consulted and informed of changes in an open & transparent way • We will monitor the outcome and change course if necessary
Controls:	<p>It is recognised that there will be significant changes taking place in Social Work practice with the implementation of the Self Directed Support standards and the move to outcomes based services, so governance arrangements are being set up to facilitate the same type of oversight and communication that is in place for the Home First programme.</p> <p>The Strategic Delivery Plan has been developed by the Heads of Service and Interim Strategic Planning Lead.</p>
Mitigating Actions:	<p>Integrated Infrastructure Group previously established, with ICT representation from NHSG and Moray Council, to consider and provide solutions to data sharing issues and ICT infrastructure matters which is an area that will be taken forward alongside the Moray Growth Deal projects. The Moray Transformation Board has recently restarted and will link to all relevant groups.</p>
Assurances:	<p>Strict ICT and data sharing policies and protocols in place with NHS Grampian and Moray Council.</p> <p>A Moray Portfolio Infrastructure Programme Board has been established to support the operational delivery of the aims and objectives set e.g. Analogue to Digital changeover, Buildings and Assets oversight and Smarter Working will support this agenda.</p>
Gaps in assurance:	<p>Protocol for access to systems by employees of partner bodies are in place.</p> <p>Information Management arrangements to be developed and endorsed by MIJB.</p> <p>Process of identification of issue and submission to data sharing group requires to be reinforced to ensure matters are progressed.</p> <p>The strict information sharing protocols can cause issues when trying to work across system in an open and transparent way.</p> <p>Smarter Working programmes are being progressed in partnership with Council and NHSG.</p> <p>The Strategy and Planning Lead Vacancy will likely cause disruption to the transformation and implementation planning required in the delivery of the Strategic Plan</p>
Current performance:	<p>Training to promote records management, data protection and related issues for staff working across and between partners using the learning and development resources of NHS Grampian and Moray Council.</p>
Comments:	<p>Where national systems are involved it may not be possible to identify a solution however the issues will be able to be raised at the appropriate level via the Grampian Data Sharing Group where all three partnerships are represented.</p>

9	
Description of Risk: <i>Infrastructure</i>	Requirements for support services are not prioritised by NHS Grampian and Moray Council.
Lead:	Chief Officer
Risk Rating:	low/medium/high/very high HIGH
Risk Movement:	increase/decrease/no change NO CHANGE
Rationale for Risk Rating:	<p>Changes to processes and necessary stakeholder buy-in still bedding in.</p> <p>Moray Council is undertaking a Property review of office and depot accommodation and the potential impact for HSCM services requires consideration. The output was anticipated in October 2019 however due to changes with roles and responsibilities within the Council however the paper has been out for consultation. NHSG have advised that staff should continue to work from home at present whilst policies and protocols are developed. Moray Council have a dedicated MC officer leading on a hybrid working plan with input from HSCM on their requirements. It is anticipated that this will conclude December 2023.</p> <p>ICT infrastructure service plans in NHS Grampian and Moray Council are not yet visible to HSCM and development of communication and engagement process is required.</p>
Rationale for Risk Appetite:	Low tolerance in relation to not meeting requirements.
Controls:	<p>Chief Officer has regular meetings with partners.</p> <p>Computer Use Policies and HR policies in place for NHS and Moray Council and staff.</p> <p>PSN accreditation secured by Moray Council</p> <p>Infrastructure Programme Board was established with Chief Officer as Senior Responsible Officer/Chief Officer member of CMT. Process for submission of projects to the infrastructure board approved and implemented to ensure appropriate oversight of all projects underway in HSCM. The Board has only recently restarted, so in the interim, project requests are being processed via Senior Management Team. The interim Strategy and Planning Lead will support the Infrastructure Programme Board for Moray portfolio.</p>

<p>Mitigating Actions:</p>	<p>Membership of the Board was reviewed and revised to ensure representation of all existing infrastructure processes and funding opportunities. Process for ensuring infrastructure change/investment requests developed</p>
<p>Assurances:</p>	<p>Infrastructure Programme Board functions to provide robust governance and assurance that proposed projects have a robust business case and meets requirements of the respective partner organisations. This board reports to Strategic Planning and Commissioning Group. Both of these groups have been recently refreshed and remobilised.</p> <p>Workforce Forum meeting regularly with representation of HR and unions from both partner organisations</p>
<p>Gaps in assurance:</p>	<p>Further work is required on developing the process for approval for projects so that they are progressed timeously. Need to review all existing processes in relation to infrastructure changes/projects/investments and streamline to avoid duplication of effort.</p> <p>Infrastructure Board is in development and priority issues are being addressed in relation to infrastructure and premises risk. Due to staff changes this work will now be incorporated into other roles. This will likely mean that this work will complete with other priorities of already busy roles.</p> <p>Legal services have reduced capacity to provide support due to budget cuts and vacancies so any requests are taking longer.</p> <p>Internal Audit Services have indicated that their capacity to complete all work required by MIJB may be an issue. This is being discussed with Moray Council.</p> <p>Recruitment for vacancies takes considerable time due to various factors and is presenting a strain on services to maintain normal service whilst covering vacancies. There have been several posts that have had to go out to advert more than once extending the time other staff are covering gaps.</p>
<p>Current performance:</p>	<p>No update.</p>
<p>Commens:</p>	<p>Existing projects will be reviewed as part of the development of the transformation plans for the Strategic Plan to ensure resources are being dedicated appropriately and aligned to the emerging Strategic priorities. Our requirements for support will be communicated via appropriate channels</p> <p>The delegation of Childrens and Families and Justice Services should continue to be supported by the corporate services within Moray Council.</p>





REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 26 OCTOBER 2023

SUBJECT: EXTERNAL AUDITORS' REPORT TO THOSE CHARGED WITH GOVERNANCE

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

1.1 To request the Audit, Performance and Risk (APR) Committee consider the reports to those charged with governance from the Board's External Auditor for the year ended 31 March 2023.

2. RECOMMENDATION

2.1 **It is recommended that the APR considers and notes the reports from the External Auditor within APPENDICES 1 and 2.**

3. BACKGROUND

3.1 The responsibilities of Audit Scotland as the independent auditor are established by the Local Government (Scotland) Act 1973, the code of Audit Practice (2021), which can be found at [Code of Audit Practice](#) and supplementary guidance, and are supported by the auditing profession's ethical guidance.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 The work carried out by Grant Thornton during 2022/23 has produced two reports that are subject to the consideration of those charged with governance. The reports are attached as follows:

- Independent Auditors Report to those charged with governance (**APPENDIX 1**)
- The Annual Audit Report 2022/23 (**APPENDIX 2**)

4.2 The audit opinions expressed were all unqualified and are reported within the 'independent auditors report' included within **APPENDIX 1**.

4.3 The Annual Audit Report included at **APPENDIX 2** provides an Action Plan where recommendations for improvement are made, based on the findings of

the review. These recommendations have been discussed with management and corresponding actions have been agreed, together with timescales for completion.

- 4.4 The Annual Audit Report provides a summary of the significant audit risks identified during planning. The results and conclusions of this work are noted within the report.

5. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Moray Partners in Care 2019 – 2029”

The work of the external auditor and the production of these reports for those charged with governance have been completed within the specified timescales agreed.

(b) Policy and Legal

The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the Moray Integration Joint Board (MIJB) is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973.

(c) Financial implications

There are no direct financial implications arising from this report.

(d) Risk Implications and Mitigation

The external auditor, Audit Scotland, through the audit process, provides assurance to the Board that the Annual Accounts for 2022/23 give a true and fair view of the financial position. The Annual Audit Report highlights risks identified during the audit process and recommendations for action that have been agreed by management.

(e) Staffing Implications

None arising directly from this report.

(f) Property

None arising directly from this report

(g) Equalities/Socio Economic Impact

None arising directly from this report as there has been no resultant policy change.

(h) Climate Change and Biodiversity Impacts

There are no direct climate change and biodiversity implications as there has been no change to policy.

(i) Directions

None arising directly from this report

(j) Consultations

Consultation has taken place between Audit Scotland and the Chief Financial Officer of the MIJB in preparation of the Annual Audit Report. Any comments received have been considered in writing this report.

6. CONCLUSION

- 6.1 The External Auditor has issued an unqualified opinion for the 2022/23 Annual Accounts. The Annual Audit Report, Independent Auditors' Report and the Letter of Representation present the full findings.**

Author of Report: Deborah O'Shea, Interim Chief Financial Officer

Background Papers: with author

Ref:

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

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Moray Integration Joint Board for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, 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 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

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

Basis for opinion

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

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body'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 body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

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

Responsibilities of the Interim Chief Financial Officer and Moray Integration Joint Board for the financial statements

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

In preparing the financial statements, the Interim Chief Financial Officer is responsible for assessing the body'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 body's operations.

The Moray Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body'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 our auditor's report.

Reporting on other requirements

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

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

Other information

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

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Government in Scotland Act 2003; and

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Angela Pieri, (for and on behalf of Grant Thornton UK LLP),
110 Queen Street
Glasgow
G1 3BX

Date.....

Annual Audit Report for Moray Integration Joint Board

Financial year ended
31 March 2023

Prepared for those Charged with Governance and
the Controller of Audit

18 October 2023



Contents



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team members are:**

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our external audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect Moray Integration Joint Board or all weaknesses in your internal controls. This report has been prepared solely for your benefit and Audit Scotland (under the Audit Scotland Code of Practice 2021). We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Executive Summary (1)

This table summarises the key findings and other matters arising from the external audit of Moray Integration Joint Board (IJB) and the preparation of the financial statements for the year ended 31 March 2023 for those charged with governance (the Board) and the Controller of Audit.

Financial Statements

Summary

Under International Standards of Audit (UK) (ISAs) and Audit Scotland's Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- The IJB's financial statements give a true and fair view of the state of affairs of the IJB as at 31 March 2023 and of the income and expenditure of the organisation for the year then ended;
- the IJB's financial statements have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Code;
- the IJB's financial statements 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; and
- the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

We are required to report whether the information given in the Management Commentary is consistent with the financial statements and has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003.

We are also required to report on whether the information given in the Annual Governance Statement is consistent with the financial statements and prepared in accordance with the Delivering Good Governance in Local government: Framework (2016).

Based on our work to date, and the satisfactory completion of our final procedures, we plan to issue an unmodified opinion.

We have concluded that the Remuneration Report has been prepared in accordance with requirements.

We have concluded the work on the Governance Statement has been prepared in accordance with the relevant guidance.

We have concluded that the other information to be published alongside the financial statements is consistent with our knowledge of the IJB.

Draft financial statements

The draft financial statements were presented for audit by the deadline of 30 June 2023, with the IJB authorising their financial statements on 29 June 2023. We have been supported by Moray IJB's officers during the audit process with effective working relationships and commitment to the audit process.

The working papers presented for audit were a good quality, and any supplementary working papers, sample requests and queries were responded to effectively.

Target completion dates

The target completion dates for the 2022/23 audit moved back to pre-Covid timetables, with 30 September 2023 as the target dates set. The target timeline has not been achieved, with this Auditor's Annual Report planned to be presented to the Audit, Performance and Risk Committee and Moray Integration Joint Board on 26 October 2023.

Executive Summary (2)

Financial Statements (continued)

Misstatements and recommendations

Our audit work was substantially completed during September and October 2023. Our findings are summarised on pages 8 to 18. Subject to the conclusion of outstanding matters listed on page 7, we have identified no adjustments or unadjusted misstatements to the primary financial during the course of the audit. Further detail is set out within [Appendix 1](#) including disclosure adjustments.

We have raised two financial statements recommendations for management as a result of our audit work on the financial statements. These are set out in [Appendix 2](#).

Our follow up of the recommendations made by the predecessor auditor last year are detailed in [Appendix 4](#).

We would like to take this opportunity to record our appreciation for the assistance provided by the Interim Chief Financial Officer and other staff in completing the external audit.

Wider Scope

Wider Scope

Under the Audit Scotland Code of Audit Practice ('the Code'), the scope of public audit extends beyond the audit of the financial statements. The Code requires auditors to consider the IJB's arrangements in respect of financial management, financial sustainability, vision leadership and governance and use of resources to improve outcomes.

In our External Audit Plan for the year ended 31 March 2023, we documented our assessment of the wider scope risks and planned audit work. At the planning stage, we identified one risk in respect of financial sustainability.

We outline our work undertaken in response to the arrangements in place and the risks identified and conclude on the effectiveness and appropriateness of the arrangements in place based on the work carried out.

Further details of the work undertaken are outlined on pages 19 to 35.

We have raised six recommendations for management as a result of our audit work on wider scope. These are set out in [Appendix 3](#).

There remains a significant risk in respect of financial sustainability given the significant financial challenges the IJB faces over the longer term.

Introduction

Scope of our audit work

This report is a summary of our findings from our external audit work for the financial year at Moray IJB. The scope of our audit was set out in our External Audit Plan.

The core elements of our audit work in 2022/23 have been:

- An audit of the IJB's annual report and accounts for the financial year ended 31 March 2023 [findings reported within this report];
- Consideration of the wider dimensions that frame the scope of public audit as set out in Audit Scotland's Code of Audit Practice 2021 ('the Code') [within this report];
- Any other work requested by Audit Scotland.

Our work has been undertaken in accordance with International Standards of Auditing (ISAs) (UK) and the Code.

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

Responsibilities

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

Our responsibilities as independent auditors, appointed by the Accounts Commission, are set out in the Local Government in Scotland Act 1973, the Code and supplementary guidance, and International Standards on Auditing in the UK.

The recommendations or risks identified in this report are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit or of risks or weaknesses does not absolve officers from their responsibility to address the issues raised and to maintain an adequate system of control.

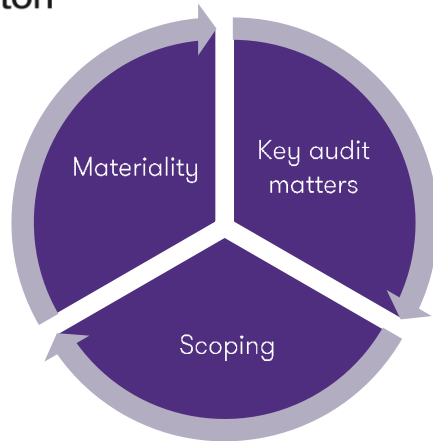
Adding value through our audit work

We aim to add value to the IJB throughout our audit work. We do this through using our wider public sector knowledge and we invited the IJB to our annual local government accounting workshop.

Through our expertise, we provide constructive, forward-looking recommendations where we identify areas for improvement and encourage good practice around financial management and financial sustainability, risk management and performance monitoring. In so doing, we aim to help the IJB promote improved standards of governance, better management and decision making, and more effective use of resources.

Audit of the annual report and accounts

Our approach to the audit of the financial statements



Overall materiality

£2.532 million which represents 1.5% of the IJB's gross expenditure.

This has increased from the Audit Plan value of £2.300 million due to the update of the materiality based upon the actual values within the 2022/23 draft financial statements.

Key audit matters

There were no key audit matters identified.

Significant risks

The significant risks were identified as:

- Management override of controls (ISA (UK) 240)

Internal control environment

In accordance with ISA requirements, we have developed an understanding of the IJB's control environment. Our audit is not controls based and we have not placed reliance on controls operating effectively as our audit is substantive in nature.

In accordance with ISAs, over those areas of significant risk of material misstatement, we consider the design of controls in place.

However, we do not place reliance on the design of controls when undertaking our substantive testing.

Recap of our audit approach and key changes in our audit strategy

We have not identified any changes in our approach since our Audit Plan was presented to the Audit, Performance and Risk Committee on 30 March 2023. The risks identified remain the same.

Status of Audit Work

As an audit team, we have focused on concluding our work on the significant audit risks and the significant classes of transactions we have identified in our scoping. These are the areas of the accounts that are, in our view, at greater risk of material misstatements, with a potential to impact our auditor's opinion.

We have completed our audit work in all these areas with the exception of:

- final queries on the agreement of income and expenditure balances to NHS Grampian and Moray Council assurance letters

Our work is subject to the following closing procedures which necessarily take place within the concluding stages of the audit:

- up to date review of Committee minutes and internal audit reports
- final review by the engagement manager and engagement lead
- receipt of the final signed management representation letter
- review of the final set of financial statements
- receipt of final signed financial statements
- final sign off by the engagement lead
- receipt of management's updated going concern and post balance sheet events assessment at the date of sign off.

Audit quality is important to us, and it is important as auditors that we take a step back to consider all our audit evidence and the quality of our audit work on file on completion. This includes sufficient documentation of our key auditor judgements and conclusions.

Our application of materiality

We apply the concept of materiality both in 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. The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applied not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Our audit approach was set out in our Audit Plan.

- We reviewed and updated our assessment of materiality from planning based upon your 2022/23 draft financial statements and concluded that materiality is £2.532 million representing 1.5% of Moray IJB's gross expenditure.
- Performance materiality was set at £1.645 million, representing 65% of our calculated materiality.
- We report to Officers (Management) any differences identified over £0.126 million.
- We applied a lower materiality threshold for disclosures within the Remuneration Report to Senior Officer and Board Member Remuneration Tables due to the sensitive nature of this disclosure, the lower materiality applied to this area was £0.005 million.

Materiality and performance materiality for financial statements as a whole

Headline Materiality threshold

Overall materiality has been set at £2.532 million which represents 1.5% of the IJB's gross expenditure. Overall materiality is £1.132 million higher than the materiality level set by the predecessor auditor last year.

Performance Materiality threshold

Performance materiality for the year has been set at £1.645 million which represents 60% of financial statement materiality. Performance materiality is £0.545 million higher than the materiality level set by the predecessor auditor last year.

Significant judgements made by auditor in determining the materiality

The determination of materiality involves the exercise of professional judgement. In determining materiality, we made the significant judgements in selecting the appropriate benchmark of expenditure and the appropriate percentage to apply to the benchmark.

Significant revision(s) of materiality threshold that were made as the audit progressed

We calculated materiality during the planning stage of the audit and then during the course of our audit, we re-assessed initial materiality based on actual gross expenditure for the year ended 31 March 2023 and adjusted our audit procedures accordingly.

Detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to Moray IJB and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks; International Financial Reporting Standards and the 2022/23 Local Government Accounting Code of Practice.
- We enquired of Senior Officers and the Chair of the Audit, Performance and Risk Committee, concerning the IJB's policies and procedures relating to the identification, evaluation and compliance with laws and regulations; the detection and response to the risks of fraud; and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of Senior Officers and the Chair of the Audit, Performance and Risk Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the IJB's financial statements to material misstatement, including how fraud might occur, by evaluating officers incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to journal entries that altered the IJB's financial performance for the year and potential management bias in determining accounting estimates. Our audit procedures are documented within our response to the significant risk of management override of controls below.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, included the potential for fraud in in certain account balances and significant accounting estimates.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - Moray IJB's operations, including the nature of its operating revenue and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - The IJB's control environment, including the policies and procedures implemented by the organisation to ensure compliance with the requirements of the financial reporting framework.

Overview of audit risks

The table below summarises the key audit matters and significant risks discussed in more detail on the subsequent pages. The status of the work is noted after any amendments identified during the audit process to the financial statements have been actioned by the IJB.

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Key audit matter	Level of judgement or estimation uncertainty	Testing approach	Status of work
Management override of controls	Significant	↔	✓	✘	Low	Substantive	●

- ↑ Assessed risk increase since Audit Plan
- ↔ Assessed risk consistent with Audit Plan
- ↓ Assessed risk decrease since Audit Plan

- Not considered likely to result in material adjustment or change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Likely to result in material adjustment or significant change to disclosures within the financial statements

Significant risks and Key Audit Matters (1)

Responding to significant financial statement risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement. This section provides commentary on the significant audit risks communicated in the External Audit Plan.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the IJB's financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified.

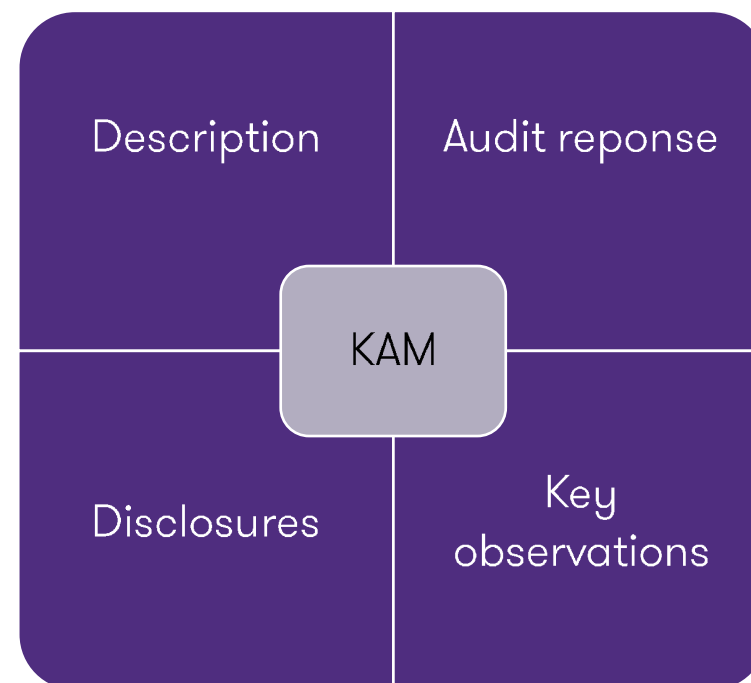
These matters included those that had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no key audit matters identified.

Other risks

Other risks are, in the auditor's judgment, those where the risk of material misstatement is lower than that for a significant risk, but they are nonetheless an area of focus for our audit. There were no other risks identified as part of our procedures.



Significant risks and Key Audit Matters (2)

Other significant risks identified in our Audit Plan

Risk 1: Management override of controls

As set out in ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a presumed risk that management override of controls is present in all entities. Our risk focuses on the areas of the financial statements where there is potential for management to use their judgement to influence the financial statements alongside the potential to override the entity's internal controls, related to individual transactions. Our work focuses on journals, critical estimates and judgements, including accounting policies and unusual transactions.

Commentary

We have considered the design of controls in place over key accounting estimates and judgements through performance of walkthrough procedures and planning inquiries with management. In doing this work, we have concluded there are no significant estimates and judgements within the Annual Report and Accounts. This is appropriately disclosed within the IJB's accounting policies and in line with our understanding of an IJB organisation.

Across our public sector clients, we look to understand and test the control environment over journals including target testing journals on a risk assessment basis to ensure no management override of control that could result in fraud or material error. Therefore, we have:

- documented our understanding of and evaluated the design effectiveness of management's key controls over journals within Moray Council and NHS Grampian;
- considered our journals testing within the NHS and the Council (as the external auditor of both organisations);
- understood how the IJB accounts were produced and whether there is an opportunity or incentive for management to override controls to show an improved IJB financial performance through financial reporting;
- gained an understanding of the critical judgements applied by management in the preparation of the financial statements and considered their reasonableness;
- gained an understanding of the key accounting estimates made by management and
- evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Our results

Through our audit procedures performed, we found that there was no evidence of management override of controls. We have placed reliance upon the journals work completed on the Moray Council and NHS Grampian audits where recommendations were made on each around the journal authorisation process.

As the IJB's financial statements are prepared by merging the relevant transactions from Moray Council and NHS Grampian, we have agreed the figures to underlying joint ledger reports to confirm accuracy and completeness.

We did not identify any indication of fraud or inappropriate management bias that could result in a material misstatement.

Significant risks and Key Audit Matters (3)

Other significant risks identified in our Audit Plan

Commentary

The revenue cycle includes fraudulent transactions

As set out in ISA (UK) 240 (Revised May 2021), there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

(rebutted)

Auditing standards require us to consider the risk of fraud in revenue. This is considered a presumed risk in all entities.

Having considered the risk factors set out in ISA 240 and the nature of the revenue streams at Moray IJB, we have determined that the risk of fraud arising from revenue recognition can be rebutted as there is deemed to be little incentive to manipulate revenue recognition and opportunities to manipulate revenue recognition are deemed to be limited.

As part of our work on material transactions and balances, we have agreed revenue balances to assurance letters provided confirming the balances at NHS and Council level as well as an assessment of the income recognition accounting policies and relevant disclosures.

Our results

Our work has not identified any issues to raise in relation to revenue recognition.

Risk of fraud in expenditure

As set out in practice note 10 (Revised 2022) 'The Audit of Public sector Financial Statements', issued by the Public Audit Forum, which applies to all public sector entities, we consider there to be an inherent risk of fraud in expenditure recognition.

(rebutted)

Having considered the risk factors set out in PN10 and the nature of the expenditure streams at Moray IJB, we have determined that the risk of fraud arising from expenditure recognition can be rebutted as opportunities to manipulate expenditure recognition are deemed to be limited.

As part of our work on expenditure, we we have agreed revenue balances to assurance letters provided confirming the balances at NHS and Council level. We have also reviewed expenditure recognition accounting policies and relevant disclosures.

Our results

Our work has not identified any issues to raise in relation to expenditure recognition.

Financial Statements – key judgements and estimates (1)

As required in the IJB's Accounting Policies note, officers outline critical judgements in applying accounting policies and in addition, assumptions about the future and other sources of estimation uncertainty. In particular, where estimates and judgements are identified, these should be quantified.

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
None	The note within the IJB accounting policies (Note 2 Critical Judgements and Estimation Uncertainty) confirms there are no judgements or estimates within the IJB accounts.	We have confirmed there are no significant estimate or judgements within the IJB annual reports and accounts.	Not Applicable

Other key elements of the financial statements (1)

As part of our audit, there were other key areas of focus during the course of our audit. Whilst not considered a significant risk, these are areas of focus either in accordance with the Audit Scotland Code of Audit Practice or ISAs or due to their complexity or importance to the user of the accounts:

Issue	Commentary
Matters in relation to fraud and irregularity	It is the IJB's responsibility to establish arrangements to prevent and detect fraud and other irregularity. As auditors, we obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We obtain annual representation from officers and those charged with governance regarding the IJB's assessment of fraud risk, including internal controls, and any known or suspected fraud or misstatement. We have also made inquires of internal audit around internal control, fraud risk and any known or suspected frauds in year. We have not been made aware of any incidents in the period and no issues in relation to these areas have been identified during the course of our audit procedures that are outside of the usual expected investigations.
Accounting practices	We have evaluated the appropriateness of Moray IJB's accounting policies, accounting estimates and financial statement disclosures. We have identified disclosure adjustments required to the financial statements which have been detailed in Appendix 1 .
Matters in relation to related parties	We are not aware of any other related parties or related party transactions which have not been disclosed. The principal related parties are Moray Council and NHS Grampian.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work. We have not identified any cases of money laundering or fraud at the IJB.
Other information	We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Minor amendments have been made to the Annual Report and we are satisfied that there are no material inconsistencies to report. As these are minor, they do not warrant separate reporting.

Other key elements of the financial statements (2)

Issue	Commentary
Governance statement	We are required to report on whether the information given in the Annual Governance Statement is consistent with the financial statements and prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016). No inconsistencies have been identified; we plan to issue an unmodified opinion in this respect. Minor improvements can be made to the Statement, and these have been noted within Appendix 1 .
Matters on which we report by exception	We are required by the Accounts Commission to report to you if, in our opinion: adequate accounting records have not been kept; or the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit or there has been a failure to achieve a prescribed financial objective. We have nothing to report in respect of these matters.
Written representations	A letter of representation has been requested from the Integration Joint Board as required by auditing standards. This can be found as a separate item to this report. We have not requested any specific representations in this letter.
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2022). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Integration Joint Board meets this criteria, and so we have applied the continued provision of service approach.</p> <p>In accordance with Audit Scotland guidance: Going concern in the public sector, we have therefore considered management’s (senior officer’s) assessment of the appropriateness of the going concern basis of accounting and conclude that:</p> <ul style="list-style-type: none"> • a material uncertainty related to going concern has not been identified • management’s (senior officer’s) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities under the Code (1)

Issue	Commentary
WGA return	For local government audits, we are required to complete Whole of Government Accounts (WGA) work and provide an assurance statement on the WGA return as mandated by National Audit Office. The IJB will fall under its parents return (Moray Council). We will complete the relevant specified procedures and prepare and submit a partial assurance statement once we have completed all our work on Moray Council's financial statements, and when the final guidance is received.
Health board Consolidation	For health boards, we are required to under the Code of Audit Practice to examine and report on the consolidation schedules. The IJB expenditure for NHS Grampian was included within the health board consolidation process and this was submitted as part of our work on NHS Grampian's financial statements.
Other returns to Audit Scotland	In accordance with the Audit Scotland Planning Guidance, as appointed auditors we have prepared and submitted Fraud Returns and Current Issues Returns to Audit Scotland, sector annual reports, shared intelligence on health and social care, sector meetings and Technical Guidance Notes. There is nothing we need to bring to your attention in this respect.

Other findings – Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Advance Business Solutions e5 system – Moray Council’s general ledger	ITGC assessment (design and implementation effectiveness only)	●	●	●	●	All significant risk areas
eFinancials – NHS Grampian’s general ledger	ITGC assessment (design and implementation effectiveness only)	●	●	●	●	All significant risk areas

In our Audit Plan, we reported that on 4 August 2022, One Advanced (the supplier of eFinancials) was hit by a ransomware attack. They provide outsourced hosting services to a number of audited bodies. This issue impact on both financial and non-financial systems. In response to this risk, we made inquiries to ascertain whether NHS Grampian was affected by the events. Our inquiries confirmed that NHS Grampian was not affected by this attack.

Assessment

- Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- Not in scope for testing

Wider scope and best value conclusions

Wider scope audit (1)

This section of our report sets out our conclusions from our audit work on the wider scope audit dimensions. We take a risk-based audit approach to wider scope. Within our audit plan we identified one wider scope risk in relation to financial sustainability.

As part of our ongoing audit planning audit work during the year, we have not identified any additional wider scope audit risks.

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion
<p>Financial Management</p> <p>Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.</p>	<p>No significant risks identified.</p>	<p>IJBs' Financial Management Arrangements</p> <p>The IJB's financial performance is reported to the Board as an integral part of the budget monitoring process. It compares assumptions that were used to develop the budget to actuals during the year. Where assumptions are determined unrealistic or changes significant from budget, this is captured, and actions will be identified to resolve any adverse variances.</p> <p>Members are provided with the opportunity to review, challenge and scrutinise the financial performance. The finance team have access to real time information through the finance ledger systems within Moray Council and NHS Grampian to provide accurate financial monitoring reports.</p> <p>Moray IJB will commission services from Moray Council and NHS Grampian. The management of services within each of these organisations will continue to be governed by the existing Standing Financial Instructions, Schedule of Reserved Decisions, Operational Scheme of Delegation within the partner organisations.</p> <p>Finance Team</p> <p>Individuals involved in the preparation and reporting of financial information are qualified and experienced and held finance positions at the organisation for a number of years. Given the nature of the IJB and how it operates, the finance team is relatively small, and if staff shortages or sickness arise, the organisation could face capacity issues.</p>	<p>Our review of financial monitoring reports during the year did not identify any significant issues.</p> <p>We have not identified any issues regarding the skills and capability of finance staff within the organisation. Given the size of the organisation, should staff shortages arise, the finance team may face capacity issues.</p>

Wider scope audit (2)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion												
Financial management (continued)		<p>Financial Performance</p> <p>The 2022/23 Revenue Budget Report was presented to Moray IJB on 31 March 2022. The budget was set at £155.2 million and included £12.6 million set aside and £4.9 million to support commitments in relation to the Carers Act and ring-fenced investment to support increasing demand. There was excess funding over planned expenditure of £0.2 million and planned savings of £0.110 million included.</p> <p>The final outturn for 2022/23 was £168.8 million, whereby in-year savings of £0.110 million were achieved and included the set aside budget of £13.9 million. Moray IJB core services recorded an overspend of £5.3 million, whilst the Strategic Fund and Other Resources had an underspend in year of £10.0 million, resulting in a total underspend of £4.7 million, which was £0.1 million more than the underspend forecast at quarter three of 2022/23.</p> <p>All revisions to the budget were clearly stated in the finance monitoring reports.</p> <p>The below table illustrates the underspends incurred by the IJB in the previous three years. There is a theme of recurring underspends. It is important the IJB look to ensure that the budget provides a realistic reflection of the anticipated spend for the year. The IJB should ensure there is appropriate challenge and scrutiny of services and the full budget is utilised on an annual basis.</p> <table border="1" data-bbox="618 1134 1491 1251"> <thead> <tr> <th></th> <th>2022/23</th> <th>2021/22</th> <th>2020/21</th> </tr> </thead> <tbody> <tr> <td></td> <td>£m</td> <td>£m</td> <td>£m</td> </tr> <tr> <td>Underspends</td> <td>4.7</td> <td>10.7</td> <td>6.3</td> </tr> </tbody> </table>		2022/23	2021/22	2020/21		£m	£m	£m	Underspends	4.7	10.7	6.3	<p>Overall, we are satisfied that the IJB have appropriate financial management arrangements in place. The IJB has achieved a balanced budget for 2022/23.</p> <p>We have not identified a significant risk in relation to the financial management area.</p>
	2022/23	2021/22	2020/21												
	£m	£m	£m												
Underspends	4.7	10.7	6.3												

Wider scope audit (3)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion
<p>Financial Sustainability</p> <p>Financial sustainability looks forward to the medium to 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</p>	<p>Significant risk identified in relation to future financial plans for 2023/24 and beyond</p>	<p>Budgeting</p> <p>Moray IJB has two main sources of funding which is received from NHS Grampian and Moray Council. In recent years, additional investment for health and social care has been provided by the Scottish Government and this is passported through either the local authority or the health board however, this is not constant and cannot be relied upon.</p> <p>Moray IJB undertakes an annual budget process which forms part of the wider medium term strategy process. This includes discussions taking place between management, Moray Council and NHS Grampian regarding funding requirements.</p> <p>The Moray Integration Joint Board Revenue Budget for 2023/24 is £167.648 million which includes £13.466 million set aside services which represents Moray's share of the Large Hospital Services. The total funding provided totals £166.280 million, providing a budget deficit of £1.368 million which is due to be funded from slippage on earmarked reserves to produce a balanced budget.</p>	<p>We have not identified any issues regarding the budgeting arrangements in place at Moray IJB. We consider these arrangements to be effective and appropriate.</p>

Wider scope audit (4)

Wider scope dimension

Plan risk

Wider scope audit response and findings

Conclusion

Financial sustainability (continued)

Medium Term Financial Strategy

Moray IJB approved the 2023/24 revenue budget in March 2023 as part of agreeing the wider Medium Term Financial Strategy (MTFS). For 2023/24, a budget deficit of £1.368 million is forecast, with a balanced budget being presented through the use of slippage in earmarked reserves.

The budget setting for 2023/24 includes a savings plan totalling £4.141 million. Meetings between the Chief Officer, Chief Financial Officer and the two Heads of Service, have noted that it has been extremely challenging to identify additional savings to support the 2023/24 budget setting process. From review of board papers, it was noted that the savings being presented will be difficult to deliver but should be achievable.

The funding gap rises to over £11 million by 2027/28. The financial pressures for 2024/25 and beyond are significant, with a £19.6 million funding gap forecast in 2024/25.

	2023/24	2024/25	2025/26	2026/27	2027/28
Estimated Budget Requirement	163,507	168,636	173,830	179,230	184,769
Total Funding	162,139	164,820	167,520	170,377	173,325
Budget Surplus/ (Deficit)	(1,368)	(3,816)	(6,310)	(8,853)	(11,444)

Any future funding assumes a low level of savings will be achieved each year and assumes that the existing financial pressure will be addressed using recurring investment provided by the Scottish Government, with the aim of maximising capacity and ensuring system flow as Moray IJB transform the way services are provided across the whole system.

Risks such as potential reduction in future funding, pay negotiations, rising inflation, cost of living crises and supply chain pressures are embedded within the MTFS however, given the economic uncertainty of these factors, this could result in a growth of the cumulative funding gap.

Reducing the underlying overspend in future years will be challenging and use of reserves is being relied on however, this does not address the fundamental challenge Moray IJB has in delivering future balanced budgets.

To achieve financial sustainability and reduce reliance on useable reserves to bridge funding gaps, the IJB will need to identify and deliver significant savings and transformation to reduce funding gaps and continue to deliver key services and IJB priorities. There is a risk that where savings and transformation plans are not delivered, in the short to medium term this could provide financial sustainability challenges for the IJB.

Wider scope audit (5)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion																								
Financial sustainability (continued)		<p>Reserves</p> <p>Reserves are a key performance indicator of monitoring the financial health of a body. At 31 March 2023, the IJB held £4.683 million of reserves which were fully earmarked. During 2022/23, the IJB utilised £12.338 million of reserves.</p> <p>The IJB has budgeted to utilise £1.368 million of general earmarked reserves in 2023/24 to achieve a balanced budget. This will reduce general earmarked reserves from £4.683 million to £3.315 million by 31 March 2024. The use of reserves to balance the budget should not be relied upon, as this is finite and not a way to create financial sustainability for the IJB. As mentioned above, the IJB will need to prioritise and focus on transformation to ensure that reserves are used for their intended purpose to and not to meet budget gaps.</p> <p>At the 31 March 2023, the IJB general reserves balance is nil which is an insufficient and unsustainable level of reserves. The table below outlines the movement in reserves during 2022/23:</p> <table border="1"> <thead> <tr> <th></th> <th>General Reserves</th> <th>PCIP & Action 15</th> <th>COVID 19</th> <th>Other Earmarked</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>As at 31 March 2022</td> <td>1,257</td> <td>2,331</td> <td>9,016</td> <td>4,417</td> <td>17,021</td> </tr> <tr> <td>Transferred Out</td> <td>(1,257)</td> <td>(1,394)</td> <td>(9,016)</td> <td>(671)</td> <td>(12,338)</td> </tr> <tr> <td>Balance at 31 March 2023</td> <td>-</td> <td>937</td> <td>-</td> <td>3,746</td> <td>4,683</td> </tr> </tbody> </table> <p>A large proportion of the use of reserves (£9.016 million) was in relation to the cessation of Covid 19 expenditure, with the Scottish Government clawing back the balance on the earmarked reserve. This was not specific to Moray IJB and was done across the entirety of Scotland. Traditionally, before COVID 19, Moray IJB did not hold a significant balance within general reserves.</p>		General Reserves	PCIP & Action 15	COVID 19	Other Earmarked	Total	As at 31 March 2022	1,257	2,331	9,016	4,417	17,021	Transferred Out	(1,257)	(1,394)	(9,016)	(671)	(12,338)	Balance at 31 March 2023	-	937	-	3,746	4,683	<p>The continued reliance on reserves is not sustainable and although it helps achieve a balanced budget in 2023/24, the IJB will not have sufficient available earmarked reserves to draw upon in order to meet the 2024/25 funding gap. There is no general reserve balance, and the level of reserves is at an unsustainable level.</p> <p>An action plan recommendation has been raised in Appendix 3.</p>
	General Reserves	PCIP & Action 15	COVID 19	Other Earmarked	Total																						
As at 31 March 2022	1,257	2,331	9,016	4,417	17,021																						
Transferred Out	(1,257)	(1,394)	(9,016)	(671)	(12,338)																						
Balance at 31 March 2023	-	937	-	3,746	4,683																						

Wider scope audit (6)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion
Financial sustainability (continued)		<p>Transformation Plans</p> <p>The increase in the cumulative funding gap position in the next five years is significant and outlines serious concerns over the future financial sustainability of the IJB where additional funding is not provided or where the IJB does not operate within its funding allocation. This creates a risk, as Moray IJB will have to balance ensuring that it maintains financial sustainability with ensuring that it continues its service delivery to meet its priorities.</p> <p>To reduce the current funding gap, a major transformation programme will need to be undertaken. The IJB has recognised the fact that it will require transformational redesign to reduce future funding gaps and reshape the organisation to ensure efficient service delivery.</p> <p>Substantial transformation is required to bring about financial sustainability. The size and scale of transformation required to deliver the savings and efficiencies required to close the projected funding gap is unprecedented. It is important that IJB members have oversight of the transformation programme to ensure the savings and efficiencies required to reduce future funding gaps can be delivered.</p>	<p>To ensure financial sustainability for the medium to longer term, the IJB will need to ensure that it is able to deliver increased income and efficiency initiatives to reduce costs and deliver financial benefits. The IJB will need to upscale the pace and delivery of transformation to achieve and mitigate the risk of becoming financially unsustainable.</p> <p>An action plan recommendation has been raised in Appendix 3.</p>

Wider scope audit (7)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion
<p>Vision, Leadership and Governance</p> <p>Vision, Leadership and Governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.</p>	<p>No significant risks identified</p>	<p>Leadership and Committee Effectiveness</p> <p>Moray IJB hold a committee-based structure which has delegated functions to several committees who subsequently become responsible for the administration of services. There are currently three different committees, namely the Board, the Audit, Performance and Risk Committee and the Clinical and Care Governance Committee.</p> <p>The Audit, Performance and Risk Committee undertakes the role of Those Charged with Governance (TCWG) and looks to consider reports and obtain assurance through internal and external audit reports concerning the IJB's functions. The Committee also obtains assurance over performance monitoring and receive reports on the performance of and trends within the IJB's services in terms of service standards and performance information.</p> <p>Monitoring of action plan progress and service performance in key areas is reported to ensure a process of continuous improvement. This allows IJBs with the opportunity to evaluate on strengths and weaknesses and draw any themes arising from results of self evaluations. This allows the implementation of any necessary action plans to support continuous improvement in priority areas and ensure it is demonstrating compliance against the CIPFA Code of Principles for Delivering Good Governance [revised 2016].</p> <p>Governance Statement</p> <p>The Governance Statement details the composition and governance structure of Moray IJB and how that supports the achievement of the organisation's priority themes. From review of the Statement, we are satisfied that it reflects the key findings from audit, scrutiny and inspection.</p>	<p>Our review of attendance of members at Committee meetings has not flagged any issues. We are satisfied that the governance arrangements are appropriate and operate effectively.</p> <p>We conclude that the Audit, Performance and Risk Committee effectively challenge and scrutinize reports presented and ensure effective decision making.</p> <p>Moray IJB publishes minutes of each Committee online, to ensure transparency of decision making.</p> <p>A self-certification exercise was completed to review performance and this was reported to the Board in June 2023.</p> <p>Minor changes were made to the Governance Statements to provide clarification around significant risks and this has been carried to Appendix 1.</p>

Wider scope audit (8)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion
Vision, Leadership and Governance (continued)		<p>Risk Management The organisation maintains a strategic risk register which sets out the inherent risks being faced by Moray IJB, together with a current assessment on the level of the risks and mitigating actions being taken to reduce the impact of the risks. This report is presented to the Audit, Performance and Risk Committee for their oversight and comment.</p> <p>Any changes made to the risk register since it was last presented to the Committee are easily identifiable and are highlighted to members. Risk scores are weighted, based on assessment according to their likelihood and corresponding impact. The Strategic Risks were reviewed to ensure their alignment to the Partners in Care 2022-2032 strategic plan which was agreed by the Board on 24 November 2022. There is one significant risk identified by the entity within the register around the risk of financial failure.</p> <p>Internal controls The IJB has in place a range of policies and procedures designed to ensure compliance with laws and regulations, including for example financial regulations and standing orders. The date of approval and adoption by the Board for the Standing Orders was May 2022. The Financial Regulations next review date was March 2020 which is out of date and should be updated.</p> <p>Moray IJB does not have its own separate code of conduct, whistleblowing or fraud policies and follows those set out by the partner organisations.</p>	<p>We are satisfied that the key risks have been identified and that the pace of improvement is appropriate to the risks and challenges facing Moray IJB.</p> <p>The IJB has in place a wide range of policies and procedures designed to ensure compliance with laws and regulations, including for example financial regulations and standing orders. Our review of these policies have found the policies to be relevant and promoted within the organisation however, the standing orders are out of date. We have raised an action plan recommendation in Appendix 3.</p>

Wider scope audit (9)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion
Vision, Leadership and Governance (continued)		<p>Internal controls (continued)</p> <p>Internal audit activity is undertaken by the Audit and Risk Manager of Moray Council, who was appointed as the Chief Internal Auditor of Moray IJB in 2022, for a period of two years to 31 March 2024.</p> <p>Internal audit undertook several reviews during the financial year including a review of data management between the Council and its care providers including NHS Grampian, a review of creditor payments made by Moray Council under the direction of the IJB and how information relating to social care service users is managed on the Moray Council system. This resulted in an overall assurance opinion for the 2022/23 financial year of limited assurance. The internal audit opinion notes that “<i>can only provide limited assurance that the Moray Integration Joint Board has adequate systems of governance and internal control</i>”. Fundamentally, there are weaknesses in the framework of governance, risk management and control and there is a risk it could become inadequate and ineffective.</p> <p>The Audit, Performance and Risk Committee received quarterly audit and inspection reports from internal audit which outlined the work undertaken in each quarter alongside any follow up audits and the results of the audits. This provides Audit, Performance and Risk Committee members the opportunity to gain assurance that internal controls are operating as expected.</p> <p>From our review of internal audit reports and Audit, Performance and Risk Committee reports, we have not identified any evidence of significant gaps in the assurance obtained by the Audit, Performance and Risk Committee in relation to the work programme undertaken.</p> <p>A review of Adult Social Care Commissioning Services was undertaken by KPMG which had been requested by the Audit, Performance and Risk Committee on 31 March 2022. The need for the review was highlighted due to concerns raised by senior management of Health & Social Care Moray regarding administrative arrangements within the Commissioning Service, and the findings from a peer review report in January 2022. The audit report by KPMG has detailed 11 key findings relating to governance, roles and responsibilities, strategy/processes and contract management with all recommendations being accepted by management.</p>	<p>The IJB have an effective internal audit function in place to assist with assurance over governance framework, risk and internal controls.</p>

Wider scope audit (10)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion
Vision, Leadership and Governance (continued)		<p>We noted that a number of the recommendations across various audits are still to be implemented, requiring revised dates of implementation to be agreed within the IJB. The Service has detailed that staff shortages have resulted in delays in implementing some of these recommendations however, there is a risk should these not be actioned on a timely basis by management within the IJB.</p> <p>It is of vital importance to Moray IJB that audit recommendations and specifically high rated recommendations are actioned on a timely basis to ensure the risks outlined within each audit recommendation do not come into fruition resulting in operational and reputational damage. There are several high recommendations whereby the implementation date keeps being updated for example, from the self directed support financial review, there were six high recommendations, of which two have been implemented and four are outstanding. The four outstanding recommendations had initially implementation dates of late 2021 and early 2022.</p> <p>From review of Audit, Performance and Risk Committee papers, internal audit reporting is heavily based on activities within Moray Council however, NHS Grampian's internal auditors prepare reports that are also relevant to Moray IJB. At present, there are existing links with NHS Grampian internal audit function however, Moray IJB should look to strengthen the reporting of NHS Grampian's internal audit results within the IJB where relevant to provide oversight to members and to provide a complete picture of both organisations.</p>	<p>We noted that audit recommendations are not implemented timely and dates of implementation are regularly changed. We have raised an action plan recommendation in Appendix 3.</p> <p>To ensure oversight of NHS Grampian internal audit reports, reporting to the Audit, Performance and Risk Committee needs to be strengthened. An action plan recommendation has been raised in Appendix 3.</p>

Wider scope audit (11)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion
<p>Use of Resources</p> <p>Bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency, and effectiveness with financial and other resources and reporting performance against outcomes.</p>	<p>No significant risks identified.</p>	<p>Strategic Plan and Performance Reporting</p> <p>The strategic plan has three strategic themes; building resilience, home first and partners in care. Underpinning these themes are several objectives which detail how Moray IJB will achieve each objective.</p> <p>A performance report is published annually which outlines the IJB’s annual performance against the strategic priorities of the Health and Social Care Partnership and evidencing some of the key achievements and challenges faced by the IJB. Additionally, performance in relation to the key strategic performance indicators is reviewed alongside the IJB’s performance in relation to the Scottish Government’s core suite of national integration indicators which allows comparisons to be made over time and against Scotland as a whole.</p> <p>Our review of the most recent 2022/23 annual performance report highlights that out of 11 indicators, three were showing as green and on target, seven indicators were showing as amber (performing worse than target but within agreed tolerance) and one showing as red (performing worse than target by more than agreed tolerance). The red indicator related to the rate of emergency occupied bed days for over 65s per 1000 population which increased from 2,140 to 2,749 which exceeded the target of 2,037. Within the Q1 2023/24 Performance Report, slight improvement has been made, with the indicator reducing to 2,699. Other indicators have either been stable year on year or improved but still fall out with the agreed tolerance.</p>	<p>Moray faces the challenge of an increasing older population with a decline in working age population, staff recruitment challenges and lack of available accommodation against a backdrop of significant financial challenge. Adult social care is widely publicised as being under pressure in all local government authorities, so this issue is not specific to Moray IJB. The IJB will need to ensure that it is able to continue to deliver safe and effective adult services considering the challenging financial background faced alongside a growing aging demographic. This will require wider transformation of the IJB which is outlined within the Financial Sustainability section of this report.</p> <p>We have obtained assurance that appropriate performance monitoring and reporting arrangements are in place at the IJB, and where indicators are worsening, the IJB then agree upon actions that need to be taken to improve performance.</p>

Wider scope audit (12)

Wider scope dimension	Plan risk	Wider scope audit response and findings	Conclusion
Use of Resources (continued)		<p>Stakeholder Engagement</p> <p>Health & Social Care Moray is committed to ensuring the people of Moray are at the heart of the services being delivered so individuals get the right care and support whatever their needs, at the right time and in the right setting at any point in their care journey. To do this, Moray IJB engages with the people who are supported by its services, their unpaid carers, those who deliver the service and those who may have an interest, in order to inform how they can be improved.</p> <p>On the Moray IJB website, there is a specific section for current engagements whereby members of the public and staff can convey their views on specific items to ensure their views are represented in service change (for example, the Moray Carers Strategy 2023-2026). In this consultation, the IJB offered various ways in which members of the public could provide responses, including via SurveyMonkey and in writing, thus, catering for all ages to maximise responses.</p>	<p>We have noted good practice in relation to the community stakeholder engagement whereby the IJB ensure stakeholders are engaged in helping form new strategies, which has helped drive IJB priorities for the future.</p> <p>We have not identified a significant risk in relation to the use of resources to improve outcomes area.</p>

Wider scope audit (13)

	Plan risk	Conclusion
Other wider scope areas	We did not identify any specific risks in relation to climate change at Moray Integration Joint Board.	<p data-bbox="506 331 734 363">Climate Change</p> <p data-bbox="506 368 2143 507">We have considered six specified questions related to climate change, as mandated by Audit Scotland. We are also required to submit a questionnaire to Audit Scotland responding to the questions by the reporting deadline. We have not identified any significant risks in respect to climate change. Moray IJB does not have its own separate climate change arrangements but rather follows those set out by the partner organisations.</p> <p data-bbox="506 544 2143 715">As part of Moray Council's commitment to climate change mitigation, Moray Council introduced its Climate Change Strategy in 2020 which, together with the Local Development Plan, is designed to provide a co-ordinated and appropriate response to help all within Moray to deal with the challenges that climate change is expected to bring. On the 27 June 2019, Moray Council declared a Climate Change Emergency. It was agreed that a Climate Change Strategy and action plan would be prepared and adopted with the aim of Moray Council becoming carbon neutral by 2030.</p> <p data-bbox="506 751 2143 927">NHS Grampian's "Climate Emergency and Sustainability Strategy: Reimagining the Health Service for People and Planet" sets out four outcomes on delivering net-zero, greener health systems, greening places/communities and developing wider collaborating across local and national systems. This strategy includes the corporate emission reduction target of NHS Grampian being net zero by 2040. A delivery plan is currently in development, which we understand will incorporate interim and overall targets, tracking progress over time.</p> <p data-bbox="506 963 2143 1209">Within the IJB, there are appropriate arrangements in place for internal monitoring and progress is reported externally via the annual climate change report submitted to the Sustainable Scotland Network. Within its narrative reporting which accompanies the financial statements, Moray IJB include limited reporting in relation to climate change and environmental matters. The Financial Reporting Council completed a thematic review of climate change related consideration explaining the general requirements of the IFRS, providing a clear framework for incorporating the risks of climate change into financial reporting and although this review focused on companies, the principles can be applied to public sector bodies. We have raised a recommendation within Appendix 3.</p> <p data-bbox="506 1246 2143 1321">The IJB has considered the impact of climate change on its financial statements and have concluded that it is unlikely to have a material impact.</p> <p data-bbox="506 1358 1496 1386">We are satisfied that there is no significant risk in relation to climate change.</p>

Wider scope audit (14)

	Plan risk	Conclusion
Other wider scope areas	We did not identify any specific risks in relation to cyber security at Moray Council and NHS Grampian.	<p>Cyber Security</p> <p>We have considered risks related to cyber security at Moray Council and NHS Grampian during our audit of Moray Integration Joint Board's financial statements in line with the guidance issued by Audit Scotland's Digital Audit team. We have not identified any significant issues in relation to cyber security or the arrangements in place at the Council or the NHS body in relation to cyber security. Note that our judgement is based on our IT general work performed on the arrangements in place, but this does not involve detailed testing of system penetration controls.</p> <p>In our Audit Plan, we reported that on 4 August 2022, One Advance (the supplier of eFinancials) was hit by a ransomware attack. They provide outsourced hosting services to a number of audit bodies. This issue impacted both financial and non-financial systems. In response to this risk, we made inquiries to ascertain whether NHS Grampian was affected by these events. Our inquiries confirmed that NHS Grampian was not affected by this attack. Additionally, at NHS Grampian, our key findings are as follows:</p> <ul style="list-style-type: none"> - An initial Network and Information Systems (NIS) Regulations Audits of NHS Grampian in 2020 found overall compliance of 30%. A follow up review in 2021 highlighted significant progress implementing them, with an increase of overall compliance to 60%. This follow up report was received by the Audit and Risk Committee in June 2022. - During 2022/23, internal audit reviewed NHS Grampian's ransomware which resulted in four high risk findings and a critical rated report. <p>We are satisfied that there is no significant risk in relation to cyber security. Management at NHS Grampian are aware of the issues raised within the internal audit report and are addressing these.</p>

Best Value

Best Value audit response and findings

Best Value work under the new Code of Audit Practice is fully integrated within the annual audit work performed by appointed auditors and their teams. As part of our integrated wider-scope annual audit work, we as appointed auditors use a risk-based approach to assess and report whether the company has made proper arrangements for securing Best Value and how the body demonstrates that it is meeting Best Value responsibilities.

In the prior year, an external audit recommendation was raised in which Moray IJB agreed action was to undertake a review of Best Value to demonstrate how this is delivered. At planning and outlined within our audit plan, this review had slipped and was due to be reported later in the year. We have followed this up at year-end and note that this review was completed and reported to the Committee on 28th September 2023 (see Appendix 4).

As part of our wider scope work, we have raised an audit recommendation in relation to the follow up of internal audit reports (see Action Plan Point 4 in Appendix 3) however, a reporting mechanism should also be introduced to Audit, Performance and Risk Committee to ensure external audit recommendations are implemented and monitored for completion. **An action plan recommendation has been raised in Appendix 3.**

Although the new Code suggested that Controller reports would be required for IJBs, this is no longer applicable in light of the anticipated plans for the National Care Service. At a national level, there is a proposal to reform the social care system in Scotland (the National Care Service). As part of the proposal, the Scottish Government has outlined plans to create a new national body responsible for overseeing the delivery of social care services. This body would work closely with IJBs to ensure that services are delivered in a co-ordinated and efficient manner. Further details of how IJBs will fit into the proposed system has not yet been fully communicated however, will impact Moray IJB in future years.

Appendices

1. Audit Adjustments (1)

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

During the course of the audit, there were no adjusted non-trivial misstatements which were made that require reporting within our Annual Audit Report.

Impact of unadjusted misstatements

During the course of the audit, there were no unadjusted non-trivial misstatements which were made that require reporting within our Annual Audit Report.

Impact of unadjusted misstatements in the prior year

There was one unadjusted misstatement in the 2021/22 financial statements. The Scottish Government decided in December 2022 that Moray IJB was responsible to fund the accumulated costs of an out of area placement which was estimated to total £0.7 million to 31 March 2022. As a result, the surplus on provision of services and reserves were overstated by £0.7 million at the 31 March 2022.

Moray IJB accrued for this balance within the 2022/23 financial statements, and this is expected to be settled during the 2023/24 financial year.

1. Audit Adjustments (2)

Misclassification and disclosure changes

The table below provides details of substantive misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements. This is not a complete list, as this does not include minor changes requested by the audit team including typos and formatting requests.

This list of misclassification and disclosure changes reflects presentational adjustments to the financial statements which have no impact on the IJB's reported financial position.

Disclosure	Comments	Adjusted?
Review of Annual Report and Accounts (General)	We identified a number of minor casting errors, figures which had not yet been included and formatting issues as part of our review of the Annual Report and Accounts. These were raised and processed by management where necessary.	Yes
Other Information	We have identified a number of minor amendments required to be made to the annual report to ensure it is consistent with the financial statements. These have been amended by management but do not warrant separate reporting.	Yes
Management Commentary – Budget v Analysis Summary Table	In the first draft of the annual report, the table did not reconcile to the financial statements as the set aside was not included. As such, the table was subsequently updated to add in extra analysis to reconcile to the financial statement values.	Yes
Remuneration Report	In the first draft, there were no prior year comparative figures for the previous Chief Financial Officer (CFO), as required by IAS 1 and no note confirming the individuals date of departure. The Officers' Remuneration and Pensions notes were subsequently updated to include the 2021/22 comparatives for the previous CFO and a note added to confirm employment dates.	Yes
Annual Governance Statement	Minor improvements can be made to the Annual Governance Statement including: <ul style="list-style-type: none"> • Providing additional signposting within the Statement to draw out the conclusions being made; • A note to confirm if any of the issues raised in the Statement have been determined to be significant; and • Confirmation within the Statement that the issues raised are to the date of the audit opinion and signing. 	No

1. Audit Adjustments (3)

Disclosure	Comments	Adjusted?
Note 2 - Critical Estimates and Judgements	<p>International Financial Reporting standards prescribe the required disclosures in relation to critical judgements. It also requires separate consideration of accounting estimates.</p> <p>Significant estimates relate to assumptions and estimate at 31 March that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Judgements relates to areas that aren't significant estimates. In the draft accounts, management have combined critical estimate and judgements, these should be separated.</p> <p>The annual accounts were updated to note that there was no areas of significant estimation uncertainty.</p>	Partly
Note 3 - Events after the Reporting Period	This note was updated as expected to bring it up to date to the signing of the financial statements	Yes
Note 7 - Usable Reserve: General Fund	<p>The total for Transfers (out)/in in 2021/22 was incorrectly calculated and did not impact on the totals of the table. The first draft totalled £11.020 million and was subsequently updated to £10.679 million.</p> <p>Additional disclosures were added to explain the significant movements within the reserves balance during the year.</p>	Yes

2. Action plan and recommendations – Financial statements audit (1)

We have identified two recommendations for Moray IJB during our audit of the financial statements for the year ended 31 March 2023. We have agreed our recommendations with management and will report on progress on these recommendations during our 2023/24 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Low	<p>Performance Report</p> <p>The Performance Report section of the Annual Report and Accounts could be presented in a more user friendly manner to convey key performance information as there is a risk that the impact and key messages will be lost within the detail.</p>	<p>Management should review the format of the Performance Report and content to ensure it is succinct, focuses on the IJB's performance and outcomes, and supports the user of the financial statements to understand the IJB's purpose and achievements in year.</p> <p>Management response: Will review the content for the 23/24 accounts</p> <p>Responsible Officer: Chief Finance Officer</p> <p>Implementation Date: 31.3.24</p>
Low	<p>Related Parties</p> <p>From review of the registers of interests on the Moray IJB website, we noted that these are out of date (last updated in 2021) although as part of our work, we received the registers of interest as at March 2023. Additionally, registers of interests were not requested by management for interim members.</p>	<p>Management should ensure the updated annual registers of interest are uploaded on a timely basis to the IJB website for transparency of decision making. Annual registers of interests should be completed for all voting, co-opted and post-holding members.</p> <p>Management response: Website will be updated and interim members included</p> <p>Responsible Officer: Corporate Manager/ Chief Finance Officer</p> <p>Implementation Date: 31.3.24</p>

Controls

- High – Significant effect on financial
- Medium – Limited effect on financial statements
- Low – Best practice

3. Action plan and recommendations – Wider scope and Best Value (1)

We have set out below, based on our audit work undertaken in 2022/23, the key recommendations arising from our wider scope and Best Value audit work:

Recommendation	Agreed management response/Officer/Date
<p>1. Financial Sustainability - Reserves</p> <p>There is a risk that continued reliance on reserves to bridge funding gaps will create financial sustainability issues for the IJB.</p> <p>Recommendation: The IJB will need to continue to monitor the percentage level of adequate reserves as funding gaps continue to grow and the IJB looks to transformation in future years to ensure reserves do not dip to an unsustainable level.</p>	<p>Management response: Use of reserves was a 1 off for 2023/24, savings and transformation will have to be used from 24/25 onwards.</p> <p>Responsible Officer: Chief Finance Officer</p> <p>Implementation Date: 31.3.24</p>
<p>2. Financial Sustainability - Transformation</p> <p>The IJB has not yet identified the savings and efficiencies required in order to eliminate the large funding gap predicted for 2024/25 and beyond.</p> <p>Recommendation: A depth of pace will need to be undertaken on the transformation programme to ensure the IJB can bridge the significant funding gap in a short space of time, to ensure that not only efficiencies can be delivered but that financial sustainability can be achieved. To ensure financial sustainability for the medium to longer term, the IJB will need to ensure that it is able to deliver increased productivity and efficiency initiatives to reduce costs and deliver financial benefits. The IJB will need to upscale the pace and delivery of transformation to achieve and mitigate the risk of becoming financially unsustainable.</p>	<p>Management response: Work is currently underway to identify additional areas for savings/efficiencies. This is being done in conjunction with both partners.</p> <p>Responsible Officer: Heads of Service</p> <p>Implementation Date: 31.3.24</p>

3. Action plan and recommendations – Wider scope and Best Value (2)

Recommendation

3. Vision, Leadership and Governance – Financial Regulations

Moray IJB's Financial Regulations next review date was set for March 2020 and is therefore, out of date and there is a risk that procedures are no longer relevant or appropriate.

Recommendation

Moray IJB should review the Financial Regulations and update as appropriate. These should be brought to the relevant Committee for approval.

Agreed management response/Officer/Date

Management response:

Moray IJB was waiting on the Council financial regulations to be updated which has now been completed and the MIJB will be updated for the Next Committee in November 2023.

Responsible Officer: Chief Finance Officer

Implementation Date: 30.11.23

4. Vision, Leadership and Governance – Internal Audit

There is a risk that audit recommendations are not implemented timely and with dates of implementation regularly changed, the risks outlined within each audit recommendation come into fruition resulting in organisation and reputational damage.

Recommendation

Moray IJB should ensure audit recommendation dates are realistic when set and are monitored for implementation. Where dates are moved or not met, a thorough understanding and follow up of these should be sought and explanations provided. A mechanism should be implemented to follow up on officers should missing recommendation deadlines becomes regular.

Management response:

Agreed, areas of audit will be discussed with Senior Managers before dates are agreed and will ensure the dates are realistic and achievable going forward.

Responsible Officer: Heads of Service

Implementation Date: 31.3.24

3. Action plan and recommendations – Wider scope and Best Value (3)

Recommendation

5. Climate Change Reporting

There are currently no specific disclosure requirements on climate change and environmental matters. However, public bodies should be including climate change in their consideration of principal risks and making disclosures accordingly. Narrative reporting requirements and expectations should relate to both the body's impact on the environment, and the impact climate change may have on the body's future. The Financial Reporting Council completed a thematic review of climate change-related considerations explaining the general requirements of IFRS providing a clear framework for incorporating the risks of climate change into financial reporting and although this review focused on companies, the principles can be applied to public sector bodies.

Recommendation

Moray IJB should review their current disclosures to ensure that their narrative reporting adequately reflects their exposure to climate-related issues and how they are monitoring and managing these risks.

6. Best Value – External Audit Action Log

There is a risk without a sufficient mechanism to track the progress being made against external audit recommendations, actions may be missed and not monitored for completion.

Recommendation

Moray IJB should create a mechanism to monitor progress against external audit recommendations and the report should be brought to the relevant Committee on a regular basis to ensure scrutiny and challenge by members.

Agreed management response/Officer/Date

Management response:

Work is on going in this area and will be developed.

Responsible Officer: Corporate Manager

Implementation Date: 31.3.24

Management response:

Can put on agenda for Audit Performance and Risk committee 6 monthly.

Responsible Officer: Chief Finance Officer

Implementation Date: 31.3.24

4. Progress against prior year recommendations (1)

Progress against prior year audit recommendations

The predecessor auditor identified the following issues in their 2021/22 audit of Moray IJB's financial statements and their wider scope work. This resulted in two recommendations being reported in their 2021/22 Annual Audit Report.

See below the follow up on the implementation of these prior year recommendations and an assessment of the progress and whether any are not yet implemented.

For the two recommendations made by the predecessor auditor, both have been actioned within the year and have been closed.

Recommendation	Management Update	Auditor conclusion
<p>1. Audit, Performance and Risk Committee</p> <p>CIPFA recommends that Audit Committees report annually on their performance to those charged with governance. CIPFA's good practice guide includes a checklist for audit committees to use as part of their assessment of performance. The IJB's Audit, Performance and Risk Committee has yet to assess its performance.</p> <p>Risk: the Audit, Performance and Risk Committee is not complying with good practice and cannot evidence its effectiveness.</p>	<p>Planning: Due to changes in staff, this has been delayed but will be incorporated into this year-end and the revised date should be achieved.</p> <p>Year-End Update: This self certification was completed and reported to MIJB 29/6/23</p>	Closed

4. Progress against prior year recommendations (2)

Recommendation	Management Update	Auditor conclusion
<p>2. Self-Evaluation Exercise A self-evaluation exercise was undertaken and presented to the Board in June 2019. It included 11 areas for improvement, including the need to ‘develop better processes to evaluate and measure outcomes in line with Best Value’. There has been no update provided to the Board on the progress against implementing these areas for improvement.</p> <p>Risk: the IJB is unable to demonstrate how it delivers Best Value.</p>	<p>Planning: Review of Best Value has slipped and will be due to be reported to Committee in May 2023.</p> <p>Year-End Update: This was carried out and reported to Committee on 28/9/23</p>	<p>Closed</p>

5. Audit fees, ethics and independence (1)

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and Moray IJB that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the entity or investments in the organisation held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the IJB as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and Moray IJB.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place, note that there are no non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the organisation's board, senior management or staff.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

5. Audit fees, ethics and independence (2)

Fees and non-audit services

The tables below set out the total fees for audit and other services charged from the beginning of the financial year to the current date, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

For the purposes of our audit, we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Moray IJB. The table summarises all non-audit services which were identified.

External Audit Fee

Service	Audit Plan £	Annual Audit Report £
External Auditor Remuneration	£33,000	£33,000
Contribution to Audit Scotland support costs	£1,250	£1,250
Contribution to Performance Audit and Best Value	£6,280	£6,280
Sectoral Cap Adjustment	(£9,060)	(£9,060)
2022/23 Audit Fee	£31,470	£31,470

Fees for other services

Service	Fees £
We confirm that for 2022/23, we did not receive any fees for non-audit services	Nil

5. Audit fees, ethics and independence (3)

The fees do not reconcile to the financial statements - we have provided a reconciliation below (fees round £'000 in the financial statements):

- Fees per financial statements	£30
- Rebate within the financial statements	£1
- Total fees per above	£31

Client service

We take our client service seriously and continuously seek your feedback on our external audit service. Should you feel our service falls short of expected standards please contact Joanne Brown, Head of Public Sector Assurance Scotland in the first instance who oversees our portfolio of Audit Scotland work (joanne.e.brown@uk.gt.com). Alternatively, should you wish to raise your concerns further please contact Mark Stocks, Partner and Head of Public Sector Assurance, 103 Colmore Row, Birmingham, B3 3AG. If your feedback relates to audit quality and we have not successfully resolved your concerns, your concerns should be reported to John Gilchrist, Audit Scotland Quality and Appointments in accordance with the Audit Scotland audit quality complaints process.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2021](#) (grantthornton.co.uk)

6. Communication of audit matters

International Standard on Auditing ISA (UK) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance. These are set out in the table below.

Our communication plan	Audit Plan	Annual Report (our ISA 260 Report)
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, including planning assessment of audit risks and wider scope risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Views about the qualitative aspects of the IJB's accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures		•
Significant findings from the audit		•
Significant matters and issues arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter.		•



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 26 OCTOBER 2023

SUBJECT: 2022/23 AUDITED ANNUAL ACCOUNTS

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

1.1 To submit to the Audit, Performance and Risk (APR) Committee, the Audited Annual Accounts for the year then ended 31 March 2023.

2. RECOMMENDATION

2.1 **It is recommended that the APR consider and approve the Audited Annual Accounts for the financial year 2022/23 and the letter of Representation.**

3. BACKGROUND

3.1 The Unaudited Annual Accounts for 2022/23 were submitted to the meeting of the Moray Integration Joint Board (MIJB) on 29 June 2023 prior to submission to external audit (paragraph 7 of the Minute refers).

3.2 The Annual Accounts have been prepared in accordance with International Financial Reporting Standards and the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014 and the Local Government in Scotland Act 2003.

4 KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 The audit undertaken by the Board's External Auditors, Grant Thornton is now complete. The External Auditors have expressed unqualified opinions in respect of the financial statements, the remuneration report, the management commentary and the annual governance statement. The Independent Auditor's Report to the Members of the MIJB and the Accounts Commission is included within the audited Annual Accounts and can be found on page 55. The audited Annual Accounts are attached at **APPENDIX 1**.

4.2 Attached at **APPENDIX 2**, is the letter of representation to the External Auditors from the members of the APR, for approval by Committee to be

signed following this meeting.

- 4.3 The audit process highlighted changes to be made to the accounts which in the main were presentational and in parallel with expectation following external audit inspection.
- 4.3 The Auditor's Annual Audit Report to the APR and the Accounts Commission is the subject of a separate report to this meeting. The report sets out the responsibilities of Grant Thornton as the independent auditor and presents a summary of the findings arising from the 2022/23 audit. The report confirms there are no unadjusted misstatements in the annual accounts to report to those charged with governance.
- 4.4 The Audited Annual Accounts are presented to this meeting for consideration and approval. Thereafter, the Chief Officer, Interim Chief Financial Officer and the Chair of the Board will sign the accounts prior to submission to Grant Thornton prior to publication.

5 SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan "Moray Partners in Care 2019 – 2029"

The Audited Annual Accounts have been completed within the statutory timescales permitted under the Coronavirus (Scotland) Act 2021 and are being presented for consideration and sign off.

(b) Policy and Legal

The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the MIJB is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973. In addition, the Coronavirus (Scotland) Act 2021 has been adhered allowing statutory reporting deadlines to be flexed.

(c) Financial implications

The adjustments and revisions made to the Annual Accounts following the external audit had no financial impact on the APR.

(d) Risk Implications and Mitigation

There are no risk issues arising directly from this report. The work undertaken by Audit Scotland provides assurance to the Board that the Annual Accounts for 2022/23 give a true and fair view in accordance with applicable law and the 2022/23 Code of the state of affairs of the MIJB as at 31 March.

(e) Staffing Implications

None arising directly from this report.

(f) Property

None arising directly from this report.

(g) Equalities/Socio Economic Impact

None arising directly from this report as there is no resultant change in policy.

(h) Climate Change and Biodiversity Impacts

There are no direct climate change and biodiversity implications as there has been no change to policy.

(i) Directions

None arising directly from this report.

(j) Consultations

In preparation of the Annual Accounts, consultations have taken place between finance staff of both Moray Council and NHS Grampian who are in agreement within their areas of responsibility. The Chief Officer has been consulted and comments have been considered.

6 CONCLUSION

6.1 Following a completed external audit process and an unqualified opinion being received. The Audited Annual Accounts are presented here for approval and formal sign off.

Author of Report: Deborah O'Shea, Interim Chief Financial Officer
Background Papers: With author
Ref:

Moray Integration Joint Board



Audited Annual Accounts
For the year ended 31 March 2023



If you need information from the Moray Council in a different language or format, such as Braille, audio tape

or large print, please contact:

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اگر آپ کو مورے کونسل سے کسی دیگر زبان یا صورت میں معلومات درکار ہوں مثلاً "بریلے، آڈیو ٹیپ یا بڑے حروف، تو مہربانی فرما کر رابطہ فرمائیں:



Interim Chief Financial Officer to the Moray Integration Joint Board, High Street, Elgin, IV30 1BX



accountancy.support@moray.gov.uk

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MORAY INTEGRATION JOINT BOARD MEMBERS 2022/23**Voting Members**

Dennis Robertson (Chair)	The Grampian Health Board
Tracy Colyer (Vice-Chair)	Moray Council
Sandy Riddell	The Grampian Health Board
Derick Murray	The Grampian Health Board
Professor Siladitya Bhattacharya	The Grampian Health Board
Cllr. Peter Bloomfield	Moray Council
Cllr. Scott Lawrence	Moray Council
Cllr. John Divers	Moray Council

Non-Voting Members

Simon Bokor-Ingram	Chief Officer Professional
Tracy Stephen	Chief Social Work Officer
Jane Ewen	Lead Nurse
Professor Duff Bruce	Non Primary Medical Service Lead
Dr Robert Lockhard	GP Lead
Dr Malcolm Simmons	GP Lead
Graham Hilditch	Third Sector Stakeholder
Val Thatcher	Public Partnership Forum Representative
Ivan Augustus	Carer Representative
Stuart Falconer	Grampian Health Board Staff Partnership
Kevin Todd	Moray Council Staff Representative
Elizabeth Robinson	Public Health Representative

Co-opted Members

Sean Coady	Head of Service and IJB Hosted Services
Deborah O'Shea	Interim Chief Finance Officer
Professor Caroline Hiscox	The Grampian Health Board
Roddy Burns	Moray Council
Sonya Duncan	Corporate Manager

MANAGEMENT COMMENTARY

The Role and Remit of the Moray Integration Joint Board

The Public Bodies (Joint Working) (Scotland) Act 2014 required that Moray Council and the Grampian Health Board prepared an Integration Scheme for the area of the local authority detailing the governance arrangements for the integration of health and social care services. This legislation resulted in the establishment of the Moray Integration Joint Board (MIJB) that became operational from 1 April 2016. Moray Council and Grampian Health Board, as the parties to the Integration Scheme, each nominate voting members to the MIJB, currently, four elected members from Moray Council and four Grampian Health Board members.

Under the Public Bodies (Joint Working) (Scotland) Act 2014, a range of health and social care functions have been delegated from Moray Council and Grampian Health Board to the MIJB who has assumed responsibility for the planning and operational oversight of delivery of integrated services. MIJB also has a role to play in the strategic planning of unscheduled acute hospital based services provided by Grampian Health Board as part of the 'set aside' arrangements.

Hosted services also form part of the MIJB budget. There are a number of services which are hosted by one of the 3 IJB's within the Grampian Health Board area on behalf of all the IJBs. Responsibilities include the planning and operational oversight of delivery of services managed by one IJB on a day to day basis. MIJB has responsibility for hosting services relating to Primary Care Contracts and the Grampian Medical Emergency Department (GMED) Out of Hours service.

Key Purpose and Strategy

Following review and consultation, the refreshed Strategic Plan (2022-2032) is a continuation of the 2019 Strategic Plan. The current plan emphasises the strength of integration and in addition to our two main Partners – Moray Council and the Grampian Health Board - the MIJB recognises the importance of the Third and Independent Sectors in facilitating the successful operation of the partnership of Health & Social Care Moray. As with all health and social care systems Moray is facing increasing demand for services at the same time as resources – both funding and workforce availability - are under pressure. These challenges will intensify in the coming years as our population ages and more people with increasing complex needs require support to meet their health and care needs. The MIJB sets the direction and strategic intent through the development and implementation of the Strategic Plan and seeks assurance on the management and delivery of services through Board level performance reporting which ensures an appropriate level of scrutiny and challenge. The Strategic Plan identifies priority areas to support strategic direction and vision.

MANAGEMENT COMMENTARY (continued)

WE ARE PARTNERS IN CARE

OUR VISION: “We come together as equal and valued partners in care to achieve the best health and wellbeing possible for everyone in Moray throughout their lives.”

OUR VALUES: Dignity and respect; person-led; care and compassion; safe, effective and responsive

OUTCOMES: Lives are healthier – People live more independently – Experiences of services are positive – Quality of life is improved – Health inequalities are reduced – Carers are supported – People are safe – The workforce continually improves – Resources are used effectively and efficiently

STRATEGIC PLAN KEY THEMES

BUILDING RESILIENCE – Taking greater responsibility for our health and wellbeing

HOME FIRST – Being supported at home or in a homely setting as far as possible

PARTNERS IN CARE – Supporting citizens to make choices and take control of their care and support

The Plan purposefully places an emphasis on prevention and early intervention activities and seeks to prioritise these activities as a long term goal, actively pursuing good health and wellbeing for the population, this will mean hair in this area of work. It highlights the Home First approach and the rationale for this is to assist people in understanding that “hospital is not always the best place for people”, a statement frequently used and in particular if you are frail and elderly can be counter intuitive to a successful recovery. The response to Covid 19 has escalated elements of the Home First approach.

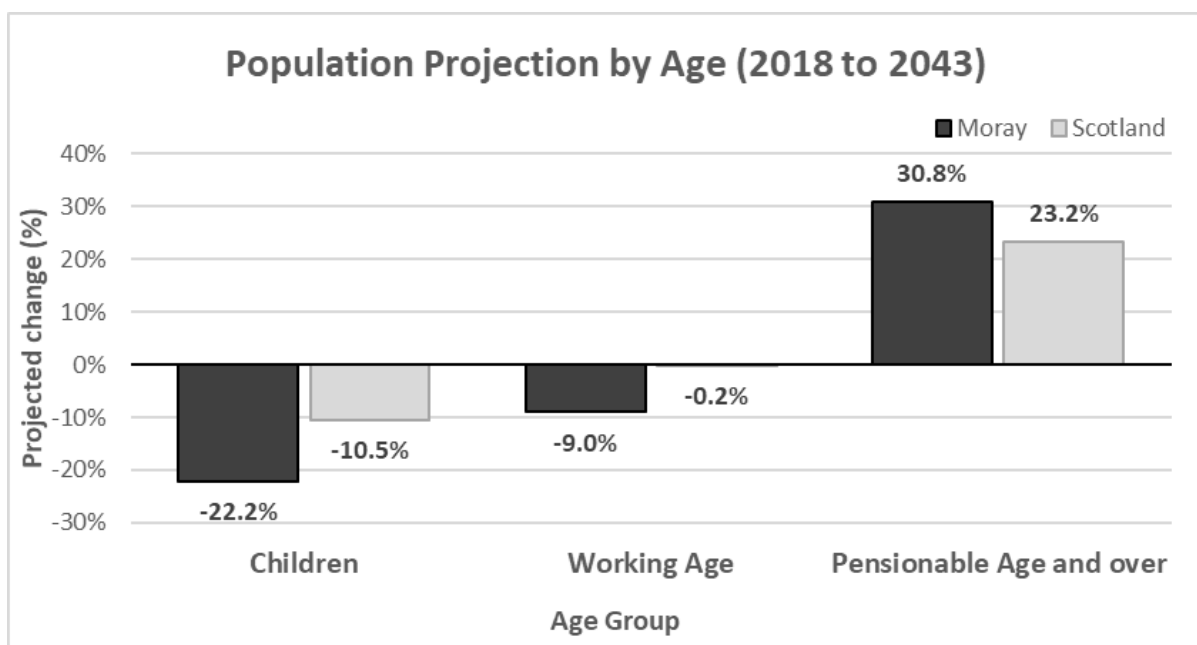
Through 2022/23 the recovery from the pandemic has continued to drive a level of transformational change. This pace will need to continue in the next year and beyond as we face significant levels of demand. Our Strategic Plan was refreshed in 2022/23 and a delivery plan is now being produced to reflect the recovery phase that will be needed to deal with day to day demand and a backlog that has accumulated.

MANAGEMENT COMMENTARY (continued)

Population

Moray is a largely rural area covering a land mass of 2,238 sq. km. It has a long coastline on the Moray Firth with harbours, fishing villages and world-class beaches. The area's projected population for 2023 is 95,749. The main centre of population is Elgin, which is home to more than one quarter of the people living in Moray. Other towns of population between 5,000 and 10,000 are Forres, Buckie, Lossiemouth and Keith. Moray's population has grown significantly in recent years from 87,160 in 1997. The population growth in Moray is slowing and it is projected that against the 2018 baseline¹ Moray will be one of the 14 councils in Scotland who will have had a population decline by 2030. This trend is forecast to continue.

The table below sets out projected population growth based on the 2018 baseline. Across Scotland there is a projected reduction in children, limited change in the working age population, but significant growth in adults of pensionable age. By comparison it is projected that Moray will have a greater decrease in children, a marked decrease in those of a working age, but a significantly higher change in those of a pensionable age.



¹ <https://www.nrscotland.gov.uk/files/statistics/nrs-visual/sub-nat-pop-proj-18/pop-proj-principal-2018-infographic.pdf>

MANAGEMENT COMMENTARY (continued)

Performance Reporting

Performance is reported quarterly to the Audit, Performance and Risk Committee of the MIJB. In addition to the quarterly reporting, there is a requirement under the Public Sector (Joint Working) (Scotland) Act 2014 for the MIJB to produce and publish an Annual Performance Report setting out an assessment of performance in planning and carrying out the delegated functions for which they are responsible. The Annual Performance Report is due to be published by 31 July this year and will be published on the Health & Social Care Moray website.

One of the major aims of integration and a key measurable target for MIJB is to reduce the number of Moray residents that are ready to be sent home from hospital but have been delayed in this process. This is referred to as a 'delayed discharge'. Delayed discharge can occur due to several reasons but quite often involves the onward provision of social care which can be complex in nature. The table below notes performance over a six year period showing the number of delayed discharge bed days occupied varying significantly and with minimal seasonal pattern up to March 2023.

There was a significant reduction in delayed discharges in April to June 2020 onwards as the focus of the Covid 19 response in Moray was assessing and finding suitable support for those in hospital (specifically those ready for discharge) to allow for the anticipated influx of Covid 19 patients.

Whole system Moray Portfolio meetings, which occur daily, have been taking place with operational staff from all services to ensure system wide awareness of the pressures that might cause issues with patient flow. The meeting begins with an overview of the current status of all services and then provides a platform to support staff with problems that might interrupt flow. It is also an opportunity to deploy available resource to the most critical areas. This has resulted in improved communication, quicker placement and improved flow. In addition to this more care home beds have been made available due to an agreement to pay from offer of care home bed to ensure beds are free on discharge date.

This reduction is also in part due to the new classification of delays to discharge in the NHS system introduced across Scotland in February 2023. The new Planned Discharge Date (PDD) system changed the criterion from 'medically fit' to 'clinically fit'. When we declare a person is clinically fit it allows time for occupational therapy, physio-therapy and social work to carry out their assessments before the person is categorised as a delay, and this measure has reduced delays slightly. While this has resulted in longer stays prior to an agreed discharge date it has aligned Moray practice with the rest of Scotland

Additionally, the Hospital Discharge Team continues to scrutinise all delays daily and ensure they are still relevant, more people have been recruited into the Care at

MANAGEMENT COMMENTARY (continued)

Home team enabling more rotas to be opened and there are fewer people requiring double-up care than in recent months

The Number of Bed Days Occupied by Delayed Discharges 18+ per 1,000 population			
Jun 22	Sept 22	Dec 22	Mar 23
1,207	1,197	1,063	751
Jun 21	Sept 21	Dec 21	Mar 22
592	784	1,142	1,294
Jun 20	Sept 20	Dec 20	Mar 21
242	803	672	496
Jun 19	Sept 19	Dec 19	Mar 20
768	751	971	1,208
Jun 18	Sept 18	Dec 18	Mar 19
1,008	1,276	1,070	926
Jun 17	Sept 17	Dec 17	Mar 18
1,161	749	823	1,089

In relation to Emergency occupied bed days, there continues to be a focus on ensuring people are getting home quickly and can maintain their independence. This had resulted in a long-term downward trend in the rate of emergency occupied bed days for over 65's per 1,000 population from June 2017 to March 2021. However, since Mar 21 there has been a consistent quarter on quarter increase in the rate resulting in a 51% increase as of March 2023.

This reflects the system still under pressure despite the gains made in other measures. The numbers of admissions has not increased along with this and would suggest people are spending more time in hospital impacting this figure. A number of surge beds (ability to house and treat patients above the normal safely staffed bed occupancy when facing extreme pressure) being made available in Moray have contributed to this increase due to increased capacity.

Moray's aging population will also be a factor in this increase as patients over 65 are disproportionately likely to spend time in hospital after the point at which they are 'fit' to be transferred or discharged from an acute care setting. This primarily due to the historical lack of capacity in community settings to meet patient needs. Some of the 'excess' is also likely to be attributed to access to diagnostics or acute interventions that are not available at Dr Gray's. For example, Dr Gray's in-patients routinely wait longer for cardiac angiography than similar cohorts of patients who are initially admitted to ARI. This is only delivered in ARI and Dr Gray's patients need to be allocated a bed in ARI before transfer for the diagnostic.

It is hoped that with the reduction in delayed discharges this figure will decrease in the coming months. As it is a rolling 12 month figure it will therefore have a lag in any improvements made in the system.

MANAGEMENT COMMENTARY (continued)

Rate of Emergency Occupied Bed Days for over 65's per 1000 Population			
Jun 22	Sept 22	Dec 22	Mar 23
2,320	2,469	2,547	2,749
Jun 21	Sept 21	Dec 21	Mar 22
1,859	1,934	2,045	2,140
Jun 20	Sept 20	Dec 20	Mar 21
2,087	2,040	1,840	1,780
Jun 19	Sept 19	Dec 19	Mar 20
2,117	2,097	2,112	2,173
Jun 18	Sept 18	Dec 18	Mar 19
2,380	2,375	2,344	2,274
Jun 17	Sept 17	Dec 17	Mar 18
2,558	2,531	2,495	2,444

Covid 19 Pandemic Recovery Continues

During 2022-23 Moray Health and Social Care Partnership (HSCM) remained in a pandemic recovery phase, flexing and stepping up quickly to respond to spikes in Covid 19 infection rates. It was clear it would not be possible in all cases to restore services to pre-pandemic levels as long as enhanced public health measures remained in place. It was further evident that what could be delivered from within existing resources (workforce, infrastructure, and finance) was diminished. Even at this level, the requirement to operate core services alongside the additional measures in place to support the pandemic response meant there was an immediate and ongoing resource impact.

The health and social care system was challenged by some significant periods of demand. A pan-Grampian approach was taken in how surge and flow through the system was managed to ensure people in the community and in hospital received the care they required.

Moray Integration Joint Board (MIJB)

MIJB continues to oversee the delivery of services in line with the Integration Scheme and Strategic Plan. Service have begun to recover from the many challenges created by the coronavirus (Covid 19) pandemic. Service models and methods of delivery have continued to flex and adapt rapidly during this period of transition whilst working with a finite budget allocation. Some services continued to adapt their delivery methods but some continue to face challenges as they continue to implement new ways of working and engaging with our citizens. Services also continue to face the challenges with recruitment to the area and increased staff absences.

MANAGEMENT COMMENTARY (continued)

Performance

The MIJB, its committees and Senior Management Team receive regular assurance reports and updates on how the Strategic Plan commitments are being progressed through work streams and individual service plans, as well as detailed financial and performance updates.

The strategic risk register is also reviewed regularly by the Senior Management Team as part of a robust risk monitoring framework in order to identify, assess and prioritise risks related to the delivery of services, particularly any which are likely to affect the delivery of the Strategic Plan.

The inherent risks being faced by the Moray MIJB, together with a current assessment on the level of the risks and mitigating actions being taken to reduce the impact of the risks, is reported to each meeting of the Audit Performance and Risk Committee for oversight and assurance.

Management teams and the Care and Clinical Governance Group review and respond to any reports produced by Audit Scotland, Healthcare Improvement Scotland, the Care Inspectorate, and the Mental Welfare Commission for Scotland and the Ministerial Strategic Group for Health and Care.

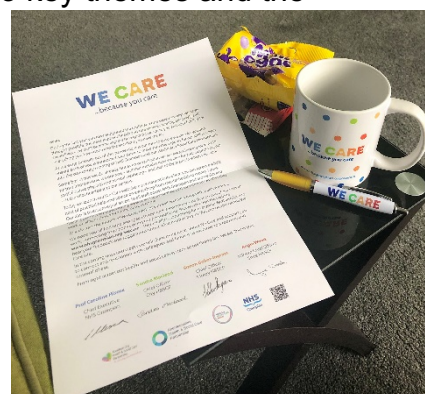
MANAGEMENT COMMENTARY (continued)

Strategy and Plans

The MIJB is required to review their Strategic Plan every three years as per the legislation. The Strategic Plan 2019-2029 was widely consulted to create an ambitious 10-year Plan for Moray. It was recognised that the health and social care landscape has changed but the 2019 Plan purposefully placed an emphasis on prevention and early intervention with the aim of building resilience for individuals and communities. The Plan identified key aims of the MIJB and directed HSCM to work closely with communities and key partners to reform the system of health and social care in Moray. It was also recognised that progress has been made against the three strategic themes and the review of the Plan focused on what already has been achieved. Therefore, the MIJB Strategic Plan 2022-2032 is a continuation of the 2019 Plan and the long-term strategic objectives make room for adapting to challenges and developments in health and social care over the coming years. The current [Strategic Plan](#) sets out the following vision and priorities for health and social care services in Moray.

Health and Social Care Moray's strategic plan sets out the 3 key themes and the objectives;

- **Building Resilience** – supporting people to take greater responsibility for their health and wellbeing
- **Home First**; supporting people at home or in a homely setting as far as possible.
- **Partners in Care** – supporting citizens to make choices and take control of their care and support.



Longer Term Impact of Covid 19 and Staff Wellbeing

There remains real concern that after such a sustained period of additional pressure on staff that their own resilience has been badly hit. This is reflected in the increased staff absence figures in both health and social care staff. NHS Grampian and Moray Council recognise the need to support staff and in order to find the reserves required to continue to respond to the ongoing and future challenges. There has also been a rise in the number of staff choosing to either leave the service or take early retirement.

Promoting Health and Wellbeing

The We Care staff health and wellbeing programme aims to deliver, co-ordinate and enhance staff wellbeing across NHS Grampian and the Health and Social Care Partnerships. The website has a hub where people can access information, help and advice related to their own and or their team's physical and mental wellbeing.

The Health Improvement Team leads on a number of staff wellbeing initiatives, such as healthy weight, mental health and smoking cessation. They also provide onsite and outreach sessions to staff teams on request.

MANAGEMENT COMMENTARY (continued)

Moray Council became a Living Wage Accredited employer in September 2022. Additionally, the council holds the Armed Forces Covenant Silver award and are awaiting the outcome of their gold award application. Additionally, to support the age profile and in line with good practice, a Menopause Policy was introduced in April 2023.

Recovery and Re-mobilisation

Hybrid working

The pandemic required HSCM to rapidly embrace new ways of working. This resulted in some staff suddenly working from home on a full-time basis. HSCM faced a huge challenge to ensure all staff had the appropriate equipment to allow this to happen, whilst still supporting staff remotely. A huge benefit from this is the progress we have made in digital technology and skills in a very short time. However, staff can feel isolated and less supported working from home, so we are now concentrating on how we work towards a true hybrid model, where appropriate.

Moray Council updated their Flexible Working policy in 2022 to reflect the new ways of working and promotes a high number of flexible working options to help employees balance their work life commitments which supports health and wellbeing



Service Delivery/Business as Usual

Locality planning resumed with intelligence gathering to build locality profiles. Locality managers continue to develop approaches to community engagement to identify local health and wellbeing priorities for improvement.

Locality engagement work continues in the Lossiemouth area to consider future health and wellbeing provision and the impact on patients of the continued closure of the GP branch surgery buildings in Hopeman and Burghead.

Vaccination Programme

The Vaccination team continue to work hard to ensure the safe and effective delivery of the Vaccination Transformation Programme across Moray. The Spring Booster campaign commenced in March 2023 with a good update across Care Home residents and with the lowered age of 75+ from 80+, increased outreach clinics have been implemented across Moray, delivering vaccines closer to the communities resulting in positive feedback. Pre School-Vaccination data shows Moray update is above the Grampian rates.

MANAGEMENT COMMENTARY (continued)

The Health Improvement Team continue to work with our partners to support the citizens of Moray to look after their own wellbeing. This includes the information sharing platform on the Facebook page, together with sessions such as hands-on cookery sessions, promoting healthy eating, particularly in low-income communities with vulnerable groups.

Baby Steps is a multi-agency, midwife led, interactive programme run in Moray. The sessions provide women with the knowledge and skills to improve their Health and Wellbeing. Baby Steps actively supports women to take small steps towards a healthier pregnancy. The programme has supported 14 women since restarting in July 2022.

Care homes in Moray were given the opportunity for supporting services to visit their sites, using the Mobile Information Bus (MIB) to show-case the range of services available locally and nationally that staff can access to enable themselves to support their health and wellbeing. Each session was positively evaluated and interest has now been expressed from other care homes across Moray.

At Maryhill surgery there is a new Mental Health and Wellbeing Practitioner. The service has been used to work with individuals suffering with a number of mental health issues, from mood depression, addiction to chronic health conditions. The aim is to use a range of interventions such as reflective listening, mindfulness and teaching coping skills to empower people to meet their needs. Referrals can be made from a range of people and if a referral is not suited to this service contact will still be made with the patient to connect them with a suitable resource.

The Learning Disability Service had plans to develop two housing projects. However, due to the increased costs post pandemic, these did not progress as planned. Work is ongoing to try and identify a feasible plan to continue with the project. This remains an important element of service transformation and will allow people to be returned to Moray as per the recent 'Coming Home' report guidance.

A Social Prescribing test of change is ongoing within the Forres Locality at Forres Health Centre, supported by the Prevention and Self-Management working group. A process is in place which enables all health and social care practitioners to signpost patients to local community supports. Health point, Citizens Advice Bureau, Mental Health & Wellbeing Practitioner and the Listening Service are the main referral services for the test of change, signposting individuals on to local opportunities. A total of 424 referrals have been made to a broad range of community programmes.

The Resettlement and Refugee Team have provided support to a total of 133 people (84 adults and 49 children) from Ukraine across Moray. The families were helped to integrate into their communities and also supported into education and employment, with 58% currently employed or in college education.

MANAGEMENT COMMENTARY (continued)

Longer Term Changes to Strategies and Plans

Transformation

HSCM continue to progress the Home First approach to supporting people to avoid unnecessary hospital admission and to return home, wherever possible, without delay. This work continues to follow an ambitious model of care, involving all aspects of Home First alongside unscheduled care, primary/secondary care and acute services.

The Discharge to Assess (D2A) programme is one of several initiatives that was developed within the Operation Home First Programme. The programme aims are: -

- To maintain people safely at home
- To avoid unnecessary hospital attendance or admission
- To support early discharge back home after essential specialist care

D2A aims to impact on the following:

- Avoiding unnecessary admission
- Reducing length of hospital stay
- Lowering re-admission rates
- Reducing the requirement for care packages



Whilst the driver for this change in practice was embedded in improved patient care and patient outcomes, there was a clear financial benefit. The average length of treatment once discharged home with support from the D2A team was 11 days, calculating into a cost per day, per patient of £169, compared with £262-570 a day for a hospital bed. This showed an increase in early supported discharge from hospital to D2A, resulting in improved flow and capacity of the hospitals. Data also shows that over 50% discharged to the D2A team are also less likely to be readmitted at 7 and 28 days.

The success of the D2A programme will likely bring unintended challenges, in that the increase in acuity of the patients being referred, often requiring more input and are slightly more likely to require care now than during the pilot. This is due to the increased complexity and multimorbidities of the patients we are now seeing post pandemic.

MANAGEMENT COMMENTARY (continued)

Self-Directed Support (SDS)

The most commonly assessed need in Moray is for Personal Care, it represents 88% of support required (2021/22). The Self-Directed Support (SDS) team within HSCM currently support 288 individuals who are in receipt of a Direct Payment (Option 1) to meet their care and support needs. The majority of those in receipt of a Direct Payment opt to use their budget to employ their own team of carers (Personal Assistants). Currently there are approximately 380 Personal Assistants (PA's) working in Moray. In order for the PA profession to be more visible, work is underway at a national level through a PA Programme Board.

Carers Strategy

Health and Social Care Moray recognise the vital support unpaid carers provide to the person they care for. It is vital that unpaid carers have a life outside of their caring role and are supported to carry on caring as long as they wish to do so. In recognition of this Health and Social Care Moray has recently published the new local Moray Carers Strategy, Recognised, Valued and Supported following engagement with unpaid carers. A local implementation plan has recently been developed to deliver on the key themes and objectives of the strategy.

Looking to the future

The Scottish Government continues to work towards a National Care Service for Scotland following the recommendation of the Independent Review of adult social care. The National Care Service would operate as a new body to oversee social care, similar to how the National Health Service oversees health, enabling social care to have a more equal footing with health care. It proposes that Local Integration Authorities would have more powers and would be directly funded by national government, rather than receiving their funding from local authorities and Health Boards as they do currently

The Scottish Government has now agreed the delegation of Moray Children's Social Work and Criminal Justice to MIJB. This will be reported on in 2023/24.

MANAGEMENT COMMENTARY (continued)

Financial Review and Performance

Financial performance forms part of the regular reporting cycle to the MIJB. Throughout the year the Board, through the reports it receives is asked to consider the financial position at a given point and any management action deemed as necessary to ensure delivery of services within the designated financial framework. From the mid-point in the financial year, the Board was presented with financial information that included a forecast position to the end of the year. In November 2022 the Board received a financial report which forecast an expected underspend to the end of the financial year of £3.2m. This forecast reduced throughout the remainder of the year and in December 2022, MIJB were forecasting an underspend to the end of the year of £4.6m, the MIJB actually outturned at £4.7m underspent. In March 2022, the MIJB agreed a savings plan of £0.110m. At the end of the financial year, this had been fully achieved. .

Given the uncertainties associated with Covid 19 and additional funding, it was necessary to update the Board regularly on the emerging financial position. This was done formally through MIJB meetings and informally through development sessions.

To support the response to Covid 19, the Scottish Government continued with the process put in place last year to assess the impact of Covid 19 on Integration Authorities' budgets. They did this through the local mobilisation plans for each health board area, which in turn captured each Integration Authority. The objective was to demonstrate the impact on IJB budgets and provide appropriate financial support. The local mobilisation plans were updated regularly throughout the year and funding claw back was made by the Scottish Government on the basis of these updates. At the end of the financial year, the cost of the mobilisation plan for Moray was £1.6m. The largest element of spend was £0.664m which was used to support sustainability payments to external providers of care. All unspent funds were returned to the Scottish Government via a negative allocation to NHS Grampian as at 31 March 2023

Additional detail on the areas of spend supported through Covid 19 funding is highlighted in the table below:

Description	Spend to 31 March 2023 £000's
Additional Staffing Costs	628
Provider Sustainability Payments	664
Remobilisation	119
Cleaning, materials & PPE	7
Elgin Community Hub	181
Total	1,599

MANAGEMENT COMMENTARY (continued)

Service Area	Budget £000's	Actual £000's	Variance (Over)/ under spend £000's	Note
Community Hospitals & Services	5,743	5,990	(247)	
Community Nursing	5,626	5,163	463	
Learning Disabilities	9,149	12,626	(3,477)	1
Mental Health	10,076	10,295	(219)	
Addictions	1,611	1,588	23	
Adult Protection & Health Improvement	164	167	(3)	
Care Services Provided In-House	21,193	18,486	2,707	2
Older People Services & Physical & Sensory Disability	20,467	23,441	(2,974)	3
Intermediate Care & OT	1,609	1,768	(159)	
Care Services Provided by External Contractors	8,882	8,084	798	4
Other Community Services	9,241	9,208	33	
Administration & Management	2,786	2,425	361	
Other Operational Services	1,355	1,286	69	
Primary Care Prescribing	17,322	19,283	(1,961)	5
Primary Care Services	19,048	19,058	(10)	
Hosted Services	4,844	5,018	(174)	
Out of Area Placements	669	1,232	(562)	6
Improvement Grants	940	888	52	
Total Core Services	140,725	146,006	(5,280)	
Strategic Funds & Other Resources	18,822	8,858	9,963	
TOTALS (before set aside)	159,547	154,864	4,683	
Set Aside	13,917	13,917	-	
TOTAL	173,464	168,781	4,683	

The table above summarises the financial performance of the MIJB by comparing budget against actual performance for the year

MANAGEMENT COMMENTARY (continued)

Significant variances against the budget were notably:

Note 1 Learning Disabilities – The Learning Disability (LD) service was overspent by £3.5m at the end of 2022/23. This consists of a £3.6m overspend, primarily relating to the purchase of care for people with complex needs, staff transport and less income received than expected. Adults with learning disabilities are some of the most vulnerable people in our community and need a high level of support to live full and active lives. The overspend was offset in part by an underspend of £0.1m, relating primarily to staffing in speech and language and psychology services. The transformational change programme in learning disabilities helps to ensure that every opportunity for progressing people’s potential for independence is taken, and every support plan involves intense scrutiny which in turn ensures expenditure is appropriate to meeting individual outcomes. In the last year we have seen an increase in demand and an increase in the level of cases requiring exceptionally high amounts of care.

Note 2 Care Services Provided In-House – This budget was underspent by £2.7m at the end of the year. The most significant variances relate to the Care at Home services for all client groups which are underspent predominantly due to vacancies and issues with recruitment and retention. This is reduced by overspends in internal day services mainly due to transport costs and less income received than expected.

Note 3 Older People Services and Physical & Sensory Disability - This budget was overspent by £3m at the end of the year. The final position includes an overspend for domiciliary care in the area teams, which incorporates the Hanover complexes for very sheltered housing in Forres and Elgin and for permanent care due to more clients receiving nursing care than residential care. The ageing population requiring more complex care and local demographics also contributes to this overspend as well as the correlation between the recruitment and retention of the internal home care service provision.

Note 4 Care Services provided by External Contractors – This budget was underspent by £0.8m at the end of the year. This predominantly relates to underspends on contracts for Mental Health and Learning Disabilities as contracts have ended and alternative services procured.

Note 5 Primary Care Prescribing - This budget was overspent by £2m. The actual data to March indicates that the average item price has increased significantly since June 2022, this has been attributed in part to the continuing impact of short supply causing an increase in prices and general inflationary cost increase. Medicines management practices continue to be applied on an ongoing basis to mitigate the impact of external factors as far as possible and to improve efficiency of prescribing both from clinical and financial perspectives.

Note 6 Out of Area Placements – This budget was overspent by £0.56m at the end of the year. This relates to an increase in patients requiring high cost individual placements.

MANAGEMENT COMMENTARY (continued)

MIJB's financial performance is presented in the comprehensive income and expenditure statement (CIES), which can be seen on page 43. At 31 March 2023 there were usable reserves of £4.683m available to the MIJB, compared to £17.02m at 31 March 2022. These remaining reserves of £4.683m are for various purposes as described below:

Earmarked Reserves	Amount £000's
Primary Care Improvement Plan & Action 15	937
GP Premises	229
Community Living Change Fund	319
National Drugs MAT	61
National Drugs Mission Moray	186
OOH Winter Pressure funding	182
Moray Cervical screening	36
Moray hospital at home	50
Moray interface discharge	139
Moray Psychological	279
MHO Funding	69
Care at Home Investment funding	720
Interim Care Funding	216
Moray Workforce well being	26
Adult Disability payment	45
National Trauma Training services	50
Social Work Capacity in Adult Services	145
Additional investment in H&SC	591
Moray Winter Fund HCSW & MDT	323
LD Annual Health Checks	35
Realistic Medicine	40
Community Planning partnership	5
Total Earmarked	4,683
General Reserves	0

TOTAL Earmarked & General	4,683
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MANAGEMENT COMMENTARY (continued)

Action 15 – as part of the Mental Health Strategy 2017-2027, Scottish Government Ministers made a commitment to provide funding to support employment of 800 additional mental health workers to improve access.

Primary Care Improvement Plan – Scottish Government investment to support the GP contract that was agreed in 2018. Covers 6 priority areas identified by Government.

GP Premises – balance of funding for improvement grants including the making of premises improvement grants to GP contractors. The continued digitalisation of paper GP records. Modifications for the purposes of improving ventilation and increase to the space available in NHS owned or leased premises for primary care multi-disciplinary teams.

Community Living Change Fund – funding to be used over a three year period (2021-2024) to support reducing delayed discharge of those with complex needs, repatriate people inappropriately placed outside Scotland and to redesign the way service are provided for people with complex needs.

National Drugs Medication Assisted Treatment (MAT) for embedding and implementation of the standards will be overseen by the MAT implementation support team (MIST).

National Drugs Mission Moray – balance of funding for range of activities including: drug deaths, taskforce funding, priorities of national mission, residential rehabilitation, whole family approach, outreach, bear fatal overdose pathways and lived and living experience.

Out of Hours Winter Pressure funding – balance of funding to sustain GO out of hours and to support resilience to explore operational solutions.

Moray Cervical Screening – balance of funding for smear test catch up campaign.

Moray Hospital at home – development of Hospital at Home provides Acute hospital level care delivered by healthcare professionals, in a home context for a condition that would otherwise require acute hospital inpatient care.

Moray Interface Care & Discharge without Delay (DWD) - interface care programme is part of the urgent and unscheduled care programme. DWD programme is to prevent delay and reduce length of stay.

Moray Psychological – funding streams for mental health, psychological wellbeing, facilities, post diagnostic support and psychological therapies.

Mental Health Officer (MHO) funding – funding to support additional mental health officer capacity.

Care at Home investment funding – balance of funding to build capacity in care at home community based services.

MANAGEMENT COMMENTARY (continued)

Interim Care funding – balance of non-recurring funding basis to enable patients currently in hospital to move into care homes and other community settings.

Moray Workforce Wellbeing – funding to the health and wellbeing of those working in health and social care.

Adult Disability payment – funding to assist with the implementation of the adult disability payments.

National Trauma Training services – training for dealing with people affected by trauma and adversity.

Social Work Capacity in Adult Services – support measures that general additional adult social care workforce.

Additional investment in H&SC – to be invested in front line health and social care.

Moray Winter Fund Health Care Social Workers (HCSW) – additional funding for further HCSW in both the IJB and Emergency department.

Moray Winter fund Multi Disciplinary Team – additional funding for service pressures includes Discharge to Assess, Home First Frailty team and volunteer development.

Learning Disability Annual Health Checks – to implement the annual health checks.

Realistic Medicine – investment in the realistic medicine based approach.

Community Planning Partnership – funding towards community planning partnership .

All reserves are expected to be utilised for their intended purpose during 2023/24.

Set Aside – Excluded from the financial performance table above on page 15 but included within the Comprehensive Income & Expenditure Account is £13.92m for Set Aside services. Set Aside is an amount representing resource consumption for large hospital services that are managed on a day to day basis by the NHS Grampian. MIJB has a responsibility for the strategic planning of these services in partnership with the Acute Sector.

Set Aside services include:

- Accident and emergency services at Aberdeen Royal Infirmary and Dr Gray's inpatient and outpatient departments;
- Inpatient hospital services relating to general medicine, geriatric medicine, rehabilitation medicine, respiratory medicine, learning disabilities, old age psychiatry and general psychiatry; and
- Palliative care services provided at Roxburgh House Aberdeen and The Oaks Elgin.

MANAGEMENT COMMENTARY (continued)

The budget allocated to Moray is designed to represent the consumption of these services by the Moray population. As a result of prioritising resources to support the Covid 19 pandemic Public Health Scotland have not produced activity data for Set Aside services since 2019/20 financial year.

The figures for 2022/23 have been derived by uplifting 2019/20 figures by baseline funding uplift in 2020/21 (3.00%), 2021/22 (3.36%) and 2022/23 (6.70%):

	2022/23	2021/22	2020/21	2019/20
Budget	13.92m	13.04m	12.62m	12.252m

Risks, Uncertainties and Future Developments

The MIJB Chief Officer has a responsibility to maintain a risk strategy and risk reporting framework. Risks inherent within the MIJB are monitored, managed and reported at each meeting of the Audit, Performance and Risk Committee. In addition, a risk action log is monitored and managed by the Senior Management Team.

The key strategic risks of the MIJB classed as 'High' and 'Very High' are presented below:

VERY HIGH

Risk 2 - There is a risk of MIJB financial failure in that the demand for services outstrips available financial resources. Financial pressures being experienced both by the funding Partners and Community Planning Partners will directly impact on decision making and prioritisation of MIJB.

Mitigating Actions - Risk remains of the challenge that the MIJB can deliver transformation and efficiencies at the pace required whilst dealing with the emerging financial pressures. Financial information is reported regularly to both the MIJB, Senior Management Team and System Leadership Group.

The Chief Officer and Interim Chief Financial Officer (CFO) continue to engage in finance discussions with key personnel of both NHS Grampian and Moray Council.

The Chief Officer and Interim CFO will continue to engage with the partner organisations in respect of the financial position throughout the year. Cross partnership performance meetings are in place with partner CEOs, Finance Directors and the Chair/Vice Chair of the MIJB.

The CFO and Senior Management Team continue to work together to address further savings which will be presented to the Board for approval during 2023/24. This should be a focus of continuous review to ensure any investment is made taking cognisance of existing budget pressures.

MANAGEMENT COMMENTARY (continued)

HIGH

Risk 3 - Inability to recruit and retain qualified and experience staff to provide and maintain sustainable, safe care, whilst ensuring staff are fully able to manage change resulting from response to external factors such as the impact of Covid 19 and the actions that arose from the recommendations from the Independent Review of Adult Social Care 2021.

Mitigating Actions - System re-design and transformation.

Organisational Development Plan and Workforce plan were updated and approved by MIJB in November 2019 The updated Workforce plan has been submitted to Scottish Government and comments were received by the HSCP in October 2022.

Staff Wellbeing is a key focus and there are many initiatives being made available to all staff including training, support, information and access to activities.

Locality Managers are developing the Multi-disciplinary teams in their areas and some project officer support has been provided to develop the locality planning model across Moray.

Lead Managers are involved in regional and national initiatives to ensure all learning is adopted to improve this position. .

Lead Managers and Professional Leads are linked to University Planning for intakes and programmes for future workforce development.

Risk 5 - Inability to cope with unforeseen external emergencies or incidents as a result of inadequate emergency and resilience planning.

Mitigating Actions – Information from the updated Business Impact Assessments /Business Continuity Plans has informed elements of the Winter Preparedness Plan.

A Friday huddle continues, this allows the status of services across the whole system to provide information and contact details to the Senior Manager on Call (SMOC) over the weekend. If any potential issues are highlighted the relevant Persons at Risk Data is compiled and if appropriate, shared with relevant personnel.

NHS Grampian have introduced system wide daily huddles to manage the flow and allocation of resources which require attendance from Dr Grays and HSCM.

Practitioner group established for Moray with representation from HSCM, Dr Grays, Moray Council and NHS Grampian to discuss matters arising from the Local Resilience Forum and within our respective organisations. In addition it will provide a forum for discussion of the linkages between organisational response plans to ensure there are no gaps or over reliance on particular local resources.

MANAGEMENT COMMENTARY (continued)

HIGH (continued)

HSCM continues to monitor the local situation regarding impacts on staffing and is engaged with NHSG emergency planning arrangements and Council Response and Recovery management team to be ready to escalate response if required. Work was undertaken within NHSG, Aberdeenshire HSCP and Aberdeen City HSCP to look at Surge flows and establish a mechanism that will provide easy identification of “hot spots” across the whole system in Grampian, to facilitate a collaborative approach to addressing the issues through the use of a common Operational Pressure Escalation approach. This work could underpin surge responses in winter and at other times of pressure and having a standard approach across Grampian could aid communication and understanding.

Risk 7 - Inability to achieve progress in relation to national Health and Wellbeing Outcomes.

Performance of services falls below acceptable level.

Mitigating Actions – Service managers monitor performance regularly within their teams and escalate any issues to the System Leadership Group (SLG) for further discussion to provide wider support, developing shared ownership and a greater understanding across the whole system.

Key operational performance data is collated and circulated daily to all managers. A Daily dashboard is held on illuminate for managers to access to ensure any potential issues are identified quickly so action can be taken. This dashboard is being reviewed and will be further developed with the intention of further dashboards to provide a whole system overview. This has been discussed at SLG and agreed.

Performance information is presented to the Performance sub group of Practice Governance Group to inform Social Care managers of the trends in service demands so that resources can be allocated appropriately.

Risk 8 - Inability to progress with delivery of Strategic Objectives and Transformation projects

Mitigating Actions - Integrated Infrastructure Group previously established, with ICT representation from NHS Grampian and Moray Council, to consider and provide solutions to data sharing issues and ICT infrastructure matters which is an area that will be taken forward alongside the Moray Growth Deal projects. The Moray Transformation Board has recently restarted and will link to all relevant groups

MANAGEMENT COMMENTARY (continued)

HIGH (continued)

Risk 9 - Requirements for support services are not prioritised by NHS Grampian and Moray Council.

Mitigating Actions – Membership of the Board was reviewed and revised to ensure representation of all existing infrastructure processes and funding opportunities. Process for ensuring infrastructure change/investment requests developed.

Dr Gray's strategy (vision for the future) is being produced collaboratively with input from NHSG and HSCM management

Development Aims for 2023/24

Home First

Home First continues to be a key strategic theme in Moray and has led to changes in the way we provide health and social care safely. Most notable are the developments within frail elderly work stream and delays in discharge. Moray is now part of the National Frail Elderly Collaborative and Hospital at Home Collaborative, the later has the potential to secure short term funding for targeted project enablement. Delayed discharges are lower than they were prior to Covid 19 in Moray, we are one of the few partnerships who have achieved this. Further work will focus on embedding a seamless, responsive, co-ordinated and multi-disciplinary approach and will be driven by participation in the National programmes. Prevention will become a priority, replacing reactive models by ensuring early identification, intervention and planning to prevent poorer outcomes for those living with frailty and multi-morbidity. Home First is linked into regional unscheduled care programmes, primary care plans and acute services to prevent duplication and to ensure joint working that creates the right culture and leadership to create sustainable positive change.

MANAGEMENT COMMENTARY (continued)

The Strategic Plan 2019-29 was refreshed and adopted in November 2022, Partners in Care 2022-32. The Medium Term Financial Strategy and other supporting plans were reviewed in 2022/23.

As the organisation continues to remobilise following the impacts of response, new, transformational ways of working are being adopted and are informing our approach to the delivery of the strategic objectives outlined in the plan.

In addition we will seek to:

- Continue to develop the system wide daily portfolio meeting to ensure system wide oversight for operational staff at all points of the patient journey
- Ensure assurance and governance is part of everything we do
- Make links with Community Treatment and Care Service (CTAC), Vaccination Transformation Programme (VTP), Community Response Team (CRT) and Primary Care Improvement Plan (PCIP), in order to ensure a co-ordinated workforce that is reactive to changes in activity.

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Dennis Robertson

Chair of Moray IJB

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Simon Bokor-Ingram

Chief Officer

.....
Deborah O'Shea

**Interim Chief
 Financial Officer**

STATEMENT OF RESPONSIBILITIES

Responsibilities of the MIJB

- To make arrangements for the proper administration of its financial affairs and to secure that it has an officer responsible for the administration of those affairs. In Moray Integration Joint Board, that officer is the Interim Chief Financial Officer;
- To manage its affairs to achieve best value in the use of its resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and the Local Authority (Capital Financing and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2021, 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); and
- To approve the Annual Accounts.

I confirm that the Annual Accounts were approved by the MIJB at its meeting on 26 October 2023.

Signed on behalf of the Moray Integration Joint Board

Dennis Robertson

Chair of Moray IJB

STATEMENT OF RESPONSIBILITIES (continued)

Responsibilities of the Interim Chief Financial Officer

The Interim Chief Financial Officer is responsible for the preparation of the Moray Integration Joint 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 Code).

In preparing the Annual Accounts the Interim Chief Financial Officer has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation; and
- Complied with the local authority code (in so far as it is compatible with legislation).

The Interim Chief Financial Officer has also:

- Kept proper accounting records which were up to date; and
- 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 Moray Integration Joint Board as at 31 March 2023 and the transactions for the year then ended

Deborah O'Shea FCCA

Interim Chief Financial Officer

REMUNERATION REPORT

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014 (SSI2014/200) as part of the MIJB annual accounts. This report discloses information relating to the remuneration and pension benefits of specified MIJB members.

All information disclosed in the tables is subject to external audit. Other sections within the Remuneration Report will be reviewed for consistency with the financial statements.

Moray Integration Joint Board

The voting members of MIJB are appointed through nomination by Moray Council and the Grampian Health Board. There is provision within the Order to identify a suitably experienced proxy or deputy member for both the voting and non-voting membership to ensure that business is not disrupted by lack of attendance by any individual.

MIJB Chair and Vice-Chair

Nomination of the MIJB Chair and Vice-Chair post holders alternates every 18 months between a Councillor and a Health Board non-executive member.

The MIJB does not provide any additional remuneration to the Chair, Vice-Chair or any other board members relating to their role on the MIJB. The MIJB does not reimburse the relevant partner organisations for any voting member costs borne by the partner.

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

Taxable Expenses 2021/22	Name	Position Held	Nomination By	Taxable Expenses 2022/23
£				£
-	Dennis Robertson	Vice-Chair 29/04/21 – 01/10/22 Chair 1/10/22 to date	Grampian Health Board	-
-	Cllr Tracy Colyer	Chair 15/05/22 – 01/10/22 Vice-Chair 01/10/22 - date	Moray Council	-

REMUNERATION REPORT (continued)

Officers of the MIJB

The MIJB does not directly employ any staff in its own right; however specific post-holding officers are non-voting members of the Board.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the integration joint board has to be appointed and the employing partner has to formally second the officer to the 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 Board.

Other Officers

No other staff are appointed by the MIJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

Total 2021/22	Senior Employees	Salary, Fees & Allowances	Total 2022/23
£		£	£
109,826	Simon Bokor-Ingram Chief Officer	111,100	111,100
-	Deborah O'Shea Interim Chief Financial Officer	80,207	80,207
93,904	Tracey Abdy Chief Financial Officer (until 31.3.22)	-	-

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 MIJB balance sheet for the Chief Officer or any other officers.

The MIJB however has a 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 MIJB. The following table shows the MIJB's funding during the year to support the 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.

NOTE: no bonuses, expenses allowances, compensation for loss of office or any taxable benefits were made in 2022/23

REMUNERATION REPORT (continued)

	In Year Pension Contributions		Accrued Pension Benefits		
	Year to 31/03/22	Year to 31/03/23		As at 31/03/2023	Difference from 31/03/2022
	£	£		£ 000's	£ 000's
Simon Bokor-Ingram, Chief Officer	22,954	23,220	Pension	47	4
			Lump Sum	88	1
Deborah O'Shea Interim Chief Financial Officer	-	11,716	Pension	25	25
			Lump Sum	29	29
Tracey Abdy Chief Financial Officer (until 31.3.22)	18,562	-	Pension	-	-
			Lump Sum	-	-

Disclosure by Pay bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band 2021/22	Remuneration Band	Number of Employees in Band 2022/23
-	£80,000 - £84,999	1
1	£90,000 - £94,999	-
1	£105,000 - £109,999	-
-	£110,000 - £114,999	1

REMUNERATION REPORT (continued)**Exit Packages**

There were no exit packages agreed by the MIJB during 2022/23 financial year, or in the preceding year.

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Dennis Robertson

Chair of Moray IJB

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Simon Bokor-Ingram

Chief Officer

ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement describes the Moray Integration Joint Board's (MIJB) governance arrangements and reports on the effectiveness of the MIJB's system of internal control.

Scope of Responsibility

The MIJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded and used efficiently and effectively in pursuit of best value.

In discharging its responsibilities, the MIJB has established arrangements for its governance which includes the system of internal control. This system is intended to manage risk and support the achievement of the MIJB's policies, aims and objectives. The system provides reasonable but not absolute assurance of effectiveness.

The MIJB places reliance of the systems of internal control of NHS Grampian systems and Moray Council, which supports organisational compliance of policies and procedures in addition to those of the MIJB. Assurances are required on the effectiveness of the governance arrangements of all three organisations, meaning a significant failure in one of the three Partners may require to be disclosed in the annual accounts of all three Partners.

The Governance Framework

The CIPFA/SOLACE framework for 'Delivering Good Governance in Local Government' last updated in 2016 remains current and provides a structured approach in defining seven principles that underpin effective governance arrangements. Whilst the framework is written specifically for Local Government, the principles apply equally to integration authorities, and while the MIJB continues to evolve as an entity in its own right. It continues to draw on the governance assurances of NHS Grampian and Moray Council as its principal funding partners.

Given the scope of responsibility within the MIJB and the complexities surrounding the assurance arrangements, a Local Code of Corporate Governance was developed and the MIJB assesses the effectiveness of its governance arrangements against the principles set out in the document. The Code outlines the seven governance principles from the CIPFA/SOLACE guidance (as referenced below) and provides the sources of assurance for assessing compliance relative to the MIJB, Moray Council and NHS Grampian. These assurances include referencing the governance arrangements of NHS Grampian and Moray Council which are summarised annually and published in their respective Annual Governance Statements which form part of the annual accounts of each organisation. The respective governance statements can be found on the individual organisations websites: Moray Council: [Annual Accounts - Moray Council](#) and NHS Grampian: <https://www.nhsgrampian.org/about-us/annual-accounts/>

ANNUAL GOVERNANCE STATEMENT (continued)

Key Governance Arrangements

Covid 19 had a significant impact on the MIJB and its approach to during the pandemic involved the use of amended governance arrangements granted under delegated powers. Work is now underway to revisit these arrangements to either reinstate them or redesign them, depending on the new ways of working. Consideration will also be given to how they integrate with the other Portfolios across the network in Grampian. Any decisions or changes will be presented to the leadership groups and relevant committees.

All of the scheduled Audit Performance and Risk Committee meetings were held as timetabled during 2022/23. An interim arrangement (which is no longer in place at the end of the year) was agreed for the operation of the Clinical and Care Governance Committee whereby the Chair of the Committee received monthly updates on the key issues arising during the pandemic response. This related principally to the provision of care, care home oversight and child and adult protection matters. In addition the Chief Officer committed to providing weekly updates on the emerging situation to IJB Members, elected Members and staff.

Health and Social Care Moray (HSCM) established an emergency response group that has been operational since the end of March 2020, with the frequency of meetings being adapted throughout the year dependent on the stage of response. Representation on the emergency response groups of the Partner organisations is provided by HSCM staff, ensuring the necessary links and flow of information to ensure a co-ordinated response on a pan Grampian basis and locally within Moray.

The collaborative working across the whole system has continued during the Covid 19 recovery. The use of a Grampian Operation Performance Escalation System (GOPES) was established to enable senior leaders to have oversight of where pressures were located in the system and to direct responses accordingly. This development has also strengthened the identification of key metric thresholds to inform the levels for escalation.

ANNUAL GOVERNANCE STATEMENT (continued)

Evaluation of the Effectiveness of Governance

Governance Principle 1 – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Assessment of Effectiveness

- The activities of the MIJB are directed by a Board comprising voting and non-voting members. The Board meets every two months and draws its membership from a broad range of sources. Formal Board meetings are augmented by regular development sessions that focus in detail on specific areas. The Board is also supported by an Audit, Performance and Risk Committee, and a Clinical and Care Governance Committee, each with a specific remit to support effective governance arrangements.
- The MIJB operates in line with Standing Orders that govern proceedings of the Board and its Committees, and which incorporates the Board's Scheme of Administration that deals with the Board's committee structure and working groups.
- The MIJB has appointed a Standards Officer to support compliance with an ethical standards framework in line with the Ethical Standards in Public Life etc. (Scotland) Act 2000 whereby members of devolved public bodies such as the MIJB are required to comply with Codes of Conduct, approved by Scottish Ministers, together with guidance issued by the Standards Commission.

ANNUAL GOVERNANCE STATEMENT (continued)

Governance Principle 2 – Ensuring openness and comprehensive stakeholder engagement

Assessment of Effectiveness

- Provision is made within MIJB's Standing Orders for public and press access to meetings and reports. During the 2022/23 year there was a move to hybrid meetings the need to broadcast live Board meetings continued. A specific web-site has been developed for Health and Social Care Moray and is continuously monitored for improvement. Agendas, reports and minutes for all committees can be accessed via Moray Council website, in addition to all the linked strategies of the MIJB.
- Both the voting and non-voting membership arrangements of the MIJB are in line with the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. There are eight voting members, four are elected members appointed by Moray Council and four are non-executive members of the NHS Grampian Board. The non-voting membership comprises six professional members and five stakeholder members representing: staff, third sector bodies carrying out activities in relation to health and social care, service users and unpaid carers, and six additional non-voting members which include the Chief Executives of Moray Council and NHS Grampian in an Ex-officio capacity. The broad membership of the MIJB ensures valued input and engagement from a wide range of stakeholders.
- The Community Empowerment (Scotland) Act 2015 places a statutory duty on MIJB and its Community Planning Partners to engage with communities on the planning and delivery of services and securing local outcomes. The MIJB has an approved Communications and Engagement Strategy which recognises and promotes the active and meaningful engagement with all stakeholders.

Governance Principle 3 – Defining outcomes in terms of sustainable economic, social and environmental benefits

Assessment of Effectiveness

- The MIJB refreshed the 2019-2029 Strategic plan in 2022/23, which is supported by various documents including a medium term financial framework. The MIJB Strategic Plan 2022-2032 is a continuation of the 2019 plan and the long-term strategic objectives make room for adapting to challenges and developments in health and social care over the coming years. To deliver on these objectives a 12-month delivery plan is under development.
- The plan is underpinned by a performance framework, workforce plan, organisational development strategy, and a communications, engagement and participation plan. Work is ongoing to update the workforce plan, whilst considering how services can transform.
- The suite of documents are designed to identify outcomes and forward-thinking on direction over the medium term. Outcomes are closely linked to the delivery of health and social care and the planned improvements for the population of Moray.
- A climate change duties report is collated and submitted annually on behalf of the MIJB.

ANNUAL GOVERNANCE STATEMENT (continued)

Governance Principle 4 – Determining the interventions necessary to optimise the achievement of intended outcomes

Assessment of Effectiveness

- The MIJB’s decision making process ensures that the members of the Board receive objective and robust analysis of a variety of options indicating how the intended outcomes will be achieved, providing information on the associated risks and opportunities.
- Board papers reflect the broad range of matters under consideration including regular update reports by the Chief Officer on topical matters and agenda items covering opportunities and challenges arising from reconfiguration of services.
- The Financial Management Code promoted by CIPFA is recognised as a means of assisting in ensuring good financial administration. A medium term financial strategy was approved by the MIJB in March 2023 and will be reviewed by September 2023 to ensure alignment with the strategic plan, delivery plan and to incorporate the delegation of children’s services.

Governance Principle 5 – Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Assessment of Effectiveness

- The Senior Management teams participated, in a two day Systems Leadership Event led by The Kings Fund. The Systems Leadership Programme to support the leadership teams was paused due to the Covid 19 response. During the Covid 19 response there has been increased opportunity to work collaboratively across organisations through use of new technology.
- The MIJB has met with Officers regularly for development sessions to increase the opportunity for shared learning and constructive challenge.

ANNUAL GOVERNANCE STATEMENT (continued)

Governance Principle 6 – Managing risk and performance through robust internal control and strong public financial management

Assessment of Effectiveness

- As part of a robust risk monitoring framework, the Strategic Risk Register is reviewed and updated regularly and presented to every Audit, Performance and Risk Committee. A related action log was created for monitoring purposes and is owned and monitored by the Senior Management Team.
- A Performance Management Framework has been developed. Performance reporting falls within the scope of the Audit, Performance and Risk Committee and reporting is quarterly.
- The internal control system links closely with those of the Partners, given their operational remit for delivery of services under direction of the MIJB. The Audit, Performance and Risk committee through its consideration of reports monitors the effectiveness of internal control procedures. The MIJB Chief Internal Auditor undertakes an annual review of the adequacy of internal controls and the opinion is included within this statement.
- The MIJB has an independent S95 Officer who is a member of the MIJB, providing advice on all financial matters and ensure timely production and reporting of budget estimates, budget monitoring reports and annual accounts.
- Governance arrangements have been developed and maintained to comply with the core functions of various good framework guidelines including Code of Practice on Managing the Risk of Fraud and Corruption, Public Sector Internal Audit Standards (incorporating the principles of the Role of the Head of Internal Audit), Audit Committees: Practical Guidance for Local Authorities and Police, etc.

Governance Principle 7 – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Assessment of Effectiveness

- MIJB business is conducted through an approved cycle of Board meetings. During the year, recordings of Board meetings were made available to the public. Agendas, reports and minutes are available for the public to inspect. There is a standard reporting format in place to ensure consistency of approach and consideration by Members to provide transparency in decision making.
- The MIJB publishes both Annual Accounts and an Annual Performance Report following Board approval.
- The Chief Internal Auditor reports directly to the Audit, Performance and Risk committee with the right of access to the Chief Officer, Interim Chief Financial Officer and Chair of the Audit, Performance and Risk committee on any matter. The Chief Internal Auditor has continued to report to Committee during 2022/23.

ANNUAL GOVERNANCE STATEMENT (continued)

Review of Adequacy and Effectiveness

The MIJB has a responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements, including the system of internal control. The review is informed by the work of the Senior Management Team (which has responsibility for the development and maintenance of the internal control framework environment); the work of the Internal Auditors and the Chief Internal Auditor's annual report and the reports from the External Auditor and other review agencies and inspectorates.

Internal Audit Opinion

Moray Council's Internal Audit Section delivers the Internal Audit Service for the Moray Integration Joint Board (MIJB), and the Council's Audit and Risk Manager holds the Chief Internal Auditor appointment to the MIJB until the 31st of March 2024. The Council's Internal Audit Section has adopted the Public Sector Internal Audit Standards (PSIAS), which require the Chief Internal Auditor to deliver an annual internal audit opinion and report, which has also been used to inform this governance statement.

The Chief Internal Auditor's evaluation of the adequacy and effectiveness of the MIJB framework of governance, risk management and internal control includes consideration of the findings from the audit work undertaken by the Chief Internal Auditor in his role as the Audit and Risk Manager for the Moray Council. Assurance is also sought from the Internal Audit Service Provider for NHS Grampian of the governance processes adopted by that organisation. In addition, reports issued by other external review agencies are considered in the opinion provided by the Chief Internal Auditor.

Internal Audit operates independently within the organisation. While there have been challenges due to changes in working practices with officers working from home, management has imposed no limitations on the scope of audit work. In accordance with PSIAS, the Chief Internal Auditor prepares a risk based Audit Plan for the MIJB, which has regard to the internal audit arrangements of both the Moray Council and NHS Grampian functions.

The Annual Audit Plan for 2022/23 agreed to the following audits to be undertaken:

- **Care First System-** An exercise to assess system management, security and resilience of the Care First System used for the recording and management of service user's data.
- **Self-Directed Support-** Review of Self Directed Support financial monitoring arrangements regarding Option 2/3, where care support packages to service users are managed by Health and Social Care Moray or an Individual Service Fund (ISF) Provider.
- **Information Management-** Ensure appropriate system exists in the management, security and transfer of data between the Council and care providers, including NHS Grampian.

ANNUAL GOVERNANCE STATEMENT (continued)

It is pleasing to report that all audits were undertaken and reported to the MIJB Audit, Performance and Risk Committee. Findings from the reviews detailed significant issues concerning the administrative arrangements in managing service users social care packages, compliance with regulations and recording service user information. In addition to the planned audits, reviews of Moray Council's financial and administrative systems were also reported to the MIJB Audit, Performance and Risk Committee. This included testing a sample of creditor payments generated under the direction of the Moray Integration Joint Board. The purpose of this audit was to confirm that effective controls are operating to ensure all payments are appropriately authorised, accurate and paid in accordance with regulations and agreed terms and conditions. Findings noted further improvements required in the recording and processing of invoices.

Internal Audit reports are regularly presented to members detailing not only findings but also the responses by management to the recommendations with agreed implementation dates. It was decided during the year that Internal Audit would also report the findings from the follow up audits undertaken to confirm the implementation of these recommendations. The follow up reviews completed into the financial monitoring arrangements within the Self Directed Support Team for direct payments made to service users and how Health and Social Care Officers manage income held for individuals under Corporate Appointeeship Arrangements found a number of the recommendations had not been implemented that required revised dates of implementation to be agreed.

The Chief Internal Auditor has previously raised concerns regarding an audit report to the Audit, Performance and Risk Committee on 30 March 2023 that detailed the outcome of a review undertaken by a private firm of auditors into how Health and Social Care Moray Commissioning Service manages adult social care contracts. The audit report detailed findings relating to governance, roles and responsibilities, strategy/processes and contract management. A future report will be required by the Chief Internal Auditor to confirm implementation

The Chief Internal Auditor, after consideration of the results regarding the work carried out by Internal Audit, taken together with other sources of assurance, with specific reference to the external assessment into how the Commissioning Service manages adult social care contracts; only limited assurance can be provided that the Moray Integration Joint Board has adequate systems of governance and internal control, for the year ended the 31st of March 2023

ANNUAL GOVERNANCE STATEMENT (continued)

Prior Year Governance Issues

The Annual Governance Statement for 2021/22 highlighted a number of areas for development in looking to secure continuous improvement. An assessment of progress is provided below:

Area for Improvement Identified in 2021/22	Action Undertaken / Progress Made in 2022/23
<p>Extending the Hospital Without Walls model to move care closer to home, with a shift to earlier intervention that reduces the demands on acute hospital care.</p>	<p>Development of Unscheduled Care Action Plan with support from NHS Grampian Transformation Team, with more focus on front door of Dr Grays for earlier intervention. Put in place ambulatory emergency medical capacity in Dr Grays. Joint work with Scottish Ambulance Service around alternatives to conveyance to hospital</p>
<p>Developing the Portfolio approach for the Moray Portfolio, and the interlink with the other Portfolios in Grampian, along with developing the governance framework for this whole system approach</p>	<p>Continued to develop the local governance with a Portfolio Board approach. Links with other Portfolios strengthened through participation in their Portfolio Boards. Pan Grampian governance approach continues to be developed.</p>
<p>Refresh the Strategic Plan during 2022, building on the learning of the last 2 years of the pandemic, and the transformational change that has begun</p>	<p>IJB Strategic Plan refresh completed. Reflects transition to post pandemic recovery, recognising that we cannot return to pre-pandemic way of delivery. Strategy delivery plan in development</p>
<p>Using the 2022/23 to 2026/27 Medium Term Financial Framework to match the ambitions of the Strategic Plan so that services are sustainable</p>	<p>Efficiency programme set out with ambition for achieving best outcomes within available resources</p>
<p>Work with the Digital Health and Care Innovation Centre as part of the Moray Growth Deal to test new ways of working that benefit the Moray population and bring improvements to the delivery of health and social care</p>	<p>Creation of 5 living labs to find digital health solutions to health and social care challenges. Aligned to SG Digital Strategy. Includes workforce development, supporting skills and curriculum development</p>

<p>Continue to extend the reach of Self Directed Support with an ambition for Moray to be an exemplar in this arena of supporting our residents in innovative ways that promote independence and choice</p> <p>With the potential delegation of Children’s Social Work and Criminal Justice to the Moray IJB, better align service delivery in the Portfolio to the benefit of our residents, where care is seamless and access is clear</p>	<p>Continue to explore innovative solutions to meet personal outcomes through a strength and asset based approach. The development of the Day Opportunities team and SDS Enablers supports this shift and has been recognised for its innovative approach throughout Scotland. This includes an IMPACT story by Health Improvement Scotland and sharing of this at the Carers Leads Meetings and Social Work Scotland. Development plans to be developed in line with audit recommendations and the national SDS Improvement plan to further embed the SDS Standards.</p> <p>Revised Scheme of Integration approved by Scottish Government on March 16th 2023, and now working closely with Moray Council to ensure that governance remains robust during the transition</p>
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Further Developments

Following consideration of the review of adequacy and effectiveness, the following action plan has been established to ensure continual improvement of the MIJB’s governance arrangements and progress against the implementation of these issues will be assessed as part of the next annual review.

Areas of focus for 2023/24	
1.	Assurance and reporting for Children’s Social Work and Justice Services
2.	Performance reporting at management level and to IJB APR Committee
3.	Development of Strategic Risk Register for the IJB
4.	IJB Category 1 responder status and Care for People Plan
5.	Delivery against the strategic objectives in IJB Strategic Plan
6.	Compliance with audit recommendations and completion of outstanding actions

ANNUAL GOVERNANCE STATEMENT (continued)

Key Governance challenges going forward will involve:

- Providing capacity to meet statutory obligations whilst managing expectations and rising demand for services, with a backlog of demand post Covid 19 pandemic, and the wider societal economic challenges now presented that also potentially drive demand;
- As a Board, difficult decisions will be required in balancing how we meet the needs of our community whilst operating within the available resource envelope;
- Continue to address our work force challenges in respect of recruitment and retention and where persistent vacancies will necessitate the need for redesign;
- Continuing to work closely with NHS Grampian, Moray Council and Moray Community partnership to build on existing relationships and establishing collaborative leadership, and to maximise the opportunities from an expanded health and social care remit with the Portfolio approach, including Dr Grays hospital, and how the IJB contributes to the wider community planning agenda in Moray and the North East;
- The challenges being faced from the legacy of the Covid 19 pandemic are expected to be a continued focus for additional scrutiny for an extended period of time, and how well we manage the recovery of service delivery.
- Continue to implement the recommendations of internal and external audit, including learning from national reviews.
- Work with teams to provide assurance to MIJB that we have clear governance structures for the integration of Children's Social Work and Criminal Justice Services into the partnership.
- Work with teams to ensure governance arrangements adopted during the pandemic and restored to either pre pandemic arrangements or are replaced with new business as usual processes.
- Contribute effectively to the national and UK Covid 19 enquiries, recognising the demand on staff time.

ANNUAL GOVERNANCE STATEMENT (continued)

Statement

In our respective roles as Chair and Chief Officer of the MIJB, we are committed to ensuring good governance and recognise the contribution it makes to securing delivery of service outcomes in an effective and efficient manner. This annual governance statement summarises the MIJB's current governance arrangements, and affirms our commitment to ensuring they are regularly reviewed, developed and fit for purpose. Whilst recognising that improvements are required, as detailed earlier in the statement, it is our opinion that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the MIJB's governance arrangements.

The immediate challenge will be to continue to meet all operational demands as we continue to recover from the Covid 19 pandemic and the legacy that has impacted at a socioeconomic level on our community. Pressure on financial settlements is increasing, and we will continue to engage with our Partners and the wider community to agree plans and outcomes that are both sustainable and achievable. Taking those forward will be challenging as we aim to fulfil the nine Health and Wellbeing national health and well-being outcomes, and the strategic priorities identified and detailed in our Strategic Plan. Good governance remains an essential focus in delivering services in a way that both meets the needs of communities and discharges statutory best value responsibilities.

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Dennis Robertson
Chair of Moray IJB

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Simon Bokor-Ingram
Chief Officer

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year ended 31 March 2023 according to generally accepted accounting practices.

2021/22		2022/23
Net Expenditure		Net Expenditure
£ 000		£ 000
5,477	Community Hospitals	5,990
4,932	Community Nursing	5,163
9,691	Learning Disabilities	12,626
9,542	Mental Health	10,295
1,259	Addictions	1,588
158	Adult Protection & Health Improvement	167
16,238	Care Services Provided In-House	18,486
20,536	Older People & Physical & Sensory Disability Services	23,441
1,828	Intermediate Care and Occupational Therapy	1,768
8,271	Care Services Provided by External Providers	8,084
8,460	Other Community Services	9,208
2,404	Administration & Management	2,425
1,192	Other Operational services	1,286
18,310	Primary Care Prescribing	19,283
18,307	Primary Care Services	19,058
4,632	Hosted Services	5,018
832	Out of Area Placements	1,232
758	Improvement Grants	888
7,937	Strategic Funds & Other Resources	8,858
13,044	Set Aside	13,917
153,808	Cost of Services	168,781
(164,487)	Taxation and Non-Specific Grant Income (note 5)	(156,443)
(10,679)	(Surplus) or Deficit on provision of Services	12,338
(10,679)	Total Comprehensive Income and Expenditure	12,338

There are no statutory or presentational adjustments which reflect the MIJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these annual accounts.

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the Moray Integration Joint Boards (MIJB) 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. Additional detail included within note 7 on page 50.

Movement of Reserves During 2022/23	General Fund Balance £000
Opening Balance at 1 April 2022	(17,021)
Total Comprehensive Income and Expenditure	12,338
<hr/>	
(Increase) or Decrease in 2022/23	12,338
<hr/>	
Closing Balance at 31 March 2023	(4,683)
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Movement of Reserves During 2021/22	General Fund Balance £000
Opening Balance at 1 April 2021	(6,342)
Total Comprehensive Income and Expenditure	(10,679)
<hr/>	
(Increase) or Decrease in 2021/22	(10,679)
<hr/>	
Closing Balance at 31 March 2022	(17,021)
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BALANCE SHEET

The Balance Sheet shows the value of the Moray Integration Joint Board's (MIJB) assets and liabilities as at the balance sheet date. The net assets of the MIJB (assets less liabilities) are matched by the reserves held by the MIJB.

31 March 2022 £000		Notes	31 March 2023 £000
17,021	Short Term Debtors Current Assets	6	4,683
-	Short Term Creditors Current Liabilities		-
-	Provisions Long Term Liabilities		-
<u>17,021</u>	Net Assets		<u>4,683</u>
17,021	Usable Reserve General Fund	7	4,683
<u>17,021</u>	Total Reserves		<u>4,683</u>

The unaudited annual accounts were issued on 30 June 2023 and the audited annual accounts were authorised for issue on 26 October 2023.

The Annual Accounts present a true and fair view of the financial position of the MIJB as at 31 March 2023 and its income and expenditure for the year then ended.

Deborah O'Shea FCCA

Interim Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Significant Accounting Policies

General Principles

The Financial Statements summarise the Moray Integration Joint Board's (MIJB) transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023.

The MIJB was established under the requirements of the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, 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 MIJB 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 MIJB.
- Income is recognised when the MIJB 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 MIJB is primarily funded through funding contributions from the statutory funding partners, Moray Council and the Grampian Health Board. Expenditure is incurred as the MIJB commissions' specified health and social care services from the funding partners for the benefit of service recipients in Moray area.

Cash and Cash Equivalents

The MIJB does not operate a bank account or hold cash. Transactions are settled on behalf of the MIJB by the funding partners. Consequently the MIJB 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 MIJB's Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 Significant Accounting Policies (continued)

Employee Benefits

The MIJB 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 MIJB therefore does not present a Pensions Liability on its Balance Sheet.

The MIJB 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.

Reserves

The MIJB's reserves are classified as either Usable or Unusable Reserves.

The MIJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the MIJB can use in later years to support service provision.

Indemnity Insurance

The MIJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board members. The Grampian Health Board and Moray Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the MIJB does not have any 'shared risk' exposure from participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The MIJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Note 2 Critical Judgements and Estimation Uncertainty

In applying the accounting policies, the MIJB has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no material critical judgements or estimation uncertainty.

During the overall Covid 19 response, a number of additional costs have been incurred beyond business as usual. The MIJB has followed national guidance regarding these and a range of additional costs are included in the MIJB's accounts reflecting the MIJB acting as principal in the transactions including:-

- social care sustainability costs;
- all increase direct care Covid 19 costs;

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 Critical Judgements and Estimation Uncertainty (continued)

A further range of Covid 19 related costs and associated funding have not been recognised in the MIJB's accounts in accordance with national accounting guidance. In these cases Moray Council is acting as principal and MIJB as the agent. This includes:-

- £0.527m related to PPE and testing kits provided by NHS National Services Scotland to Moray for social care services.

Note 3 Events after the Reporting Period

The unaudited accounts were issued by Deborah O'Shea, Interim Chief Financial Officer on 29 June 2023 and the audited accounts were authorised for issue on 26 October 2023. Events taking place after this date are not reflected in the financial statements or notes.

Note 4 Expenditure and Income Analysis by Nature

2021/22		2022/23
£000		£000
65,020	Services commissioned from Moray Council	71,899
88,760	Services commissioned from The Grampian Health Board	96,852
28	Auditor Fee: External Audit Work	30
153,808	Total Expenditure	168,781
(164,487)	Partners Funding Contributions and Non-Specific Grant Income	(156,443)
(10,679)	(Surplus) or Deficit on the Provision of Services	12,338

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5 Taxation and Non-Specific Grant Income

2021/22		2022/23
£000		£000
50,549	Funding Contribution from Moray Council	59,517
113,938	Funding Contribution from The Grampian Health Board	96,926
164,487	Taxation and Non-specific Grant Income	156,443

The funding contribution from The Grampian Health Board shown above includes £13.917m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by The Grampian Health Board who retains responsibility for managing the costs of providing the services. The MIJB however has responsibility for the consumption of, and level of demand placed on, these resources.

Note 6 Debtors

31 March 2022		31 March 2023
£000		£000
15,739	The Grampian Health Board	2,846
1,282	Moray Council	1,837
17,021	Debtors	4,683

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the MIJB.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7 Usable Reserve: General Fund

The MIJB 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 MIJB's risk management framework.

The table below shows the movements on the General Fund balance:

		Earmarked Reserves				
		General Reserves	PCIP & Action 15	Covid 19	Other Earmarked	Total
		£000	£000	£000	£000	£000
Balance at 1 April 2021		1,598	1,667	2,725	352	6,342
Transfers (out)/in 2021/22		(341)	664	6,291	4,065	10,679
Balance at 31 March 2022		1,257	2,331	9,016	4,417	17,021
Transfer out 2022/23		(1,257)	(1,394)	(9,016)	(671)	(12,338)
Transfers in 2022/23		-	-	-	-	-
Balance at 31 March 2023		-	937	-	3,746	4,683

Primary Care Improvement Fund (PCIP) - The purpose of this fund is to ring fence funding received from the Scottish Government as part of its Primary Care Transformation Plan, this includes Action 15 funding as part of this plan.

Covid 19 – are funds received by Scottish Government during 2021/22 being held in an earmarked reserve to support the MIJB through the pandemic and remobilisation. The balance of which was repaid back to Scottish Government.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8 Agency Income and Expenditure

On behalf of all IJB's within The Grampian Health Board, the MIJB acts as the lead manager for Grampian Medical Emergency Department (GMED) and Primary Care Contracts. It commissions services on behalf of the other IJBs and reclaims the costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the MIJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below:

2021/22		2022/23
£000		£000
9,136	Expenditure on Agency Services	10,139
(9,136)	Reimbursement for Agency Services	(10,139)
-	Net Agency Expenditure excluded from the CIES	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9 Related Party Transactions

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

Transactions with the Grampian Health Board

2021/22		2022/23
£000		£000
(113,938)	Funding Contributions received from the NHS Board	(96,926)
88,558	Expenditure on Services Provided by the NHS Board	96,695
202	Key Management Personnel: Non-Voting Board Members	157

(25,178)	Net Transactions with The Grampian Health Board	(74)
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Key Management Personnel: The Chief Officer and Chief Financial Officer, are non-voting Board members and are both employed by The Grampian Health Board and recharged to the MIJB. Details of the remuneration of both officers are provided in the Remuneration Report. The Chief Officer is a joint appointment made by Moray Council and The Grampian Health Board and is jointly accountable to the Chief Executives of both organisations, as such this post is jointly funded. The Chief Financial Officer, whilst a Board appointment, does not share this arrangement of funding.

Balances with the Grampian Health Board

31 March		31 March
2022		2023
£000		£000
15,739	Debtor balances: Amounts due from The Grampian Health Board	2,846

15,739	Net Balance due from The Grampian Health Board	2,846
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NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9 Related Party Transactions (continued)

Transactions with Moray Council

2021/22		2022/23
£000		£000
(50,549)	Funding Contributions received from the Council	(59,517)
64,970	Expenditure on Services Provided by the Council	71,852
78	Key Management Personnel: Non-Voting Board Members	77
14,499	Net Transactions with Moray Council	12,412

Balances with Moray Council

31 March		31 March
£000		£000
1,282	Debtor balances: Amounts due from Moray Council	1,837
1,282	Net Balance due from Moray Council	1,837

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 10 VAT

The MIJB is not registered for VAT and as such VAT is settled or recovered by the partners. The VAT treatment of expenditure in the MIJB accounts depends on which of the partners is providing the services as each of these partners are treated differently for VAT purposes.

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Note 11 Accounting Standards That Have Been Issued but Have Yet To Be Adopted

The Code requires the MIJB to identify any accounting standards that have been issued but have yet to be adopted and could have material impact on the accounts.

There are no accounting standards issued but not yet adopted that impact on the 2022/23 financial statements.

INDEPENDENT AUDITOR'S REPORT

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

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Moray Integration Joint Board for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, 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 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

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

Basis for opinion

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

INDEPENDENT AUDITOR'S REPORT (Continued)

to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body'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 body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

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

Responsibilities of the Interim Chief Financial Officer and Moray Integration Joint Board for the financial statements

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

In preparing the financial statements, the Interim Chief Financial Officer is responsible for assessing the body'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 body's operations.

The Moray Integration Joint Board is responsible for overseeing the financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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 our auditor's report.

Reporting on other requirements

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

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

Other information

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

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Use of our report

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

Angela Pieri, (for and on behalf of Grant Thornton UK LLP),
110 Queen Street
Glasgow
G1 3BX

Date.....





Health & Social Care Moray

Simon Bokor-Ingram
Chief Officer
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Grant Thornton UK LLP
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Glasgow
G1 3BX

Dear Sirs

Moray Integration Joint Board Financial Statements for the year ended 31 March 2023

This representation letter is provided in connection with the audit of the financial statements of Moray Integration Joint Board (the "IJB") for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the IJB's financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the IJB's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the IJB and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The IJB has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-

compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

v. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements. In this context we confirm there are no significant assumptions and accounting estimates.

vi. Except as disclosed in the financial statements:

- a. there are no unrecorded liabilities, actual or contingent
- b. none of the assets of the IJB has been assigned, pledged or mortgaged
- c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.

vii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.

viii. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.

ix. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.

x. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

xi. We have updated our going concern assessment. We continue to believe that the IJB financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :

- a. the nature of the IJB means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
- b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and

- c. the IJB system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the IJB's ability to continue as a going concern need to be made in the financial statements

- xii. The IJB has complied with all aspects of ring-fenced grants that could have a material effect on the IJB's financial statements in the event of non-compliance.

Information Provided

- xiii. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the IJB's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Council and NHS via remote arrangements from whom you determined it necessary to obtain audit evidence.
- xiv. We have communicated to you all deficiencies in internal control of which management is aware.
- xv. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xvi. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xvii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the IJB and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xviii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xix. We 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.
- xx. We have disclosed to you the identity of the IJB's related parties and all the related party relationships and transactions of which we are aware.
- xxi. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

xxii. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the IJB's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

xxiii. The disclosures within the Narrative Report fairly reflect our understanding of the IJB's financial and operating performance over the period covered by the IJB's financial statements.

Approval

The approval of this letter of representation was minuted by the IJB Board at its meeting on 26 October 2023.

Yours faithfully

Simon Bokor-Ingram
Chief Officer, Moray HSCP and Moray Portfolio Lead

Signed on behalf of the Moray Integration Joint Board



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 26 OCTOBER 2023

SUBJECT: INTERNAL AUDIT SECTION COMPLETED PROJECTS REPORT

BY: CHIEF INTERNAL AUDITOR

1. REASON FOR REPORT

1.1 To provide an update on audit work completed since the last meeting of the Committee.

2. RECOMMENDATION

2.1 **The Audit, Performance and Risk Committee is asked to consider and note this audit update.**

3. BACKGROUND

3.1 Public Sector Internal Audit Standards (PSIAS) require the Chief Internal Auditor to prepare and present reports to the committee on internal audit's activity relative to the audit plan and any other relevant matters.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 In line with the approved internal audit plan, the following reviews were completed:

Transformation Programme

4.2 An audit has been undertaken to review the Council's Improvement and Modernisation Programme (IMP). The IMP was established in 2018 to bring transformational change, deliver savings, and provide the basis for a medium to long term financial plan to support financial sustainability in the delivery of services to communities. The IMP currently consists of nine separate work streams.

4.3 Detailed within each of these workstreams are individual projects from across a range of services. The management and delivery of projects to deliver service improvements are undertaken through a framework detailed within the Project Management Governance Policy. The scope of the audit has reviewed

the governance arrangements around the management, monitoring and reporting arrangements of the IMP. The audit has also checked that strategic projects included within the IMP are managed in accordance with the Project Management Governance Policy. The executive summary and recommendations for this project are given in **Appendix 1**.

Refugee Integration Scheme

- 4.4 An audit has been undertaken to review the Refugee Integration Scheme. The scope of this audit examined the financial and administrative processes involved in delivering the Ukrainian Refugee Scheme. The emerging Asylum Dispersal, Afghan Citizens Resettlement Scheme and Afghan Relocation & Assistance Policy Scheme did not form part of the audit testing due to limited activity at the time of the review. The Council has supported approximately 140 Ukrainian displaced persons, with allocated funding from the Central Government in 2022/23 of over £1.9 million spread across the Warm Scottish Welcome Fund, Tariff per Displaced Person funding, Host Thank You Payment Funding and Educational Tariff Funding. All these funds have specific requirements and the audit has reviewed the accounting arrangements for administering these schemes and the claiming of expenditure. The executive summary and recommendations for this project are given in **Appendix 2**.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Partners in Care 2022 – 2032”

Internal audit work supports good governance and assists in securing appropriate systems of internal control.

(b) Policy and Legal

The internal audit service is provided in terms of paragraph 7:1 of the Local Authority Accounts (Scotland) Regulations 2014, and there is a requirement to provide a service in accordance with published Public Sector Internal Audit Standards.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications and Mitigation

Audit reports highlight risk implications and contain recommendations for management to address as a means of mitigating.

(e) Staffing Implications

No implications directly arising from this report.

(f) Property

No implications.

(g) Equalities/ Socio Economic Impacts

No implications.

(h) Climate Change and Biodiversity Impacts

None directly arising from this report.

(i) Directions

None arising directly from this report.

(j) Consultations

There have been no direct consultations during the preparation of this report.

6. CONCLUSION

6.1 This report provides Committee with a summary of findings arising from audit project completed during the review period.

Author of Report:	Dafydd Lewis, Chief Internal Auditor
Background Papers:	Internal Audit Files
Ref:	mijb/ap&rc/29102023

AUDIT REPORT 24'009

TRANSFORMATION PROGRAMME **(Improvement and Modernisation Programme)**

Executive Summary

The annual audit plan for 2023/24 provides for a review of the transformation projects included within the Improvement and Modernisation Programme, which is designed to contribute to a financially stable Council for the future.

The Council established an Improvement and Modernisation Programme in 2018 with the purpose of bringing transformational change across the Council, delivering savings and providing the basis for a medium to long term financial plan to support the financial sustainability in the delivery of services to communities. The Improvement and Modernisation Programme currently consists of nine separate work streams. Detailed within each of these work streams are 15 strategic projects from across a range of services. The management and delivery of these projects is undertaken through a framework detailed within the Project Management Governance Policy. The Council has identified a need to make savings of approximately £20 million across 2023/24 and 2024/25 to deliver a balanced budget and ensure the sustainability of Council services. The Improvement and Modernisation Programme is an integral part of the delivery of this objective. Significant progress has been made by senior management to advance the transformation of services and build on the approved Improvement and Modernisation Programme.

The scope of the audit has reviewed the governance arrangements around the management, monitoring and reporting arrangements of the Improvement and Modernisation Programme. The audit has also checked that strategic projects included within the Improvement and Modernisation Programme are managed in accordance with the Project Management Governance Policy. The review found variances in the administration of projects when compared to the procedures detailed within the Project Management Governance Policy. This does not indicate that the key deliverables of the projects are not being achieved. However, consistent administration of projects in accordance with the Project Management Governance Policy would provide greater confidence to senior management in their objective to ensure that projects included within the Improvement and Modernisation Programme secure savings the Council requires to achieve.

The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).

The audit has noted the following areas for senior management to consider in regard to governance arrangements of the Improvement and Modernisation Programme:

- The Council has an established Project Management Governance Policy that was agreed in 2016 with additional project management assurances concerning governance and leadership noted at the Corporate Committee on

30 August 2022. This Policy provides a framework for accountability and responsibilities, ensuring that project decision making is robust, logical and that projects provide value to the Council. It offers a mechanism for ensuring that accurate and appropriate project status reports are presented regardless of the service running the project or the type of project. Detailed within the Policy is a governance framework for managing projects from approval of a mandate by a Project Initiation Board to agreeing on business plans and monitoring progress at a High Level Governance Board through to a Benefit Realisation Board to evidence a project has delivered the key deliverables and benefits. However, the audit review of individual projects noted variances in the practices undertaken in approving project mandates and outline/ full business cases compared to the requirements detailed within the Project Management Governance Policy. In addition, a need for more consistency was found in project monitoring and reporting progress to the Programme Boards. Reference was also noted within the Project Management Governance Policy to a Gateway Initiation Board as the first step in agreeing on a mandate for approval of a project. However, this Board's function is undertaken by the Corporate Management Team. It is understood that senior management has already recognised the need to update the current Policy and are developing a "Single Project Gateway Process" to ensure more effective project management arrangements.

- As part of the audit, a review was undertaken of the administration of projects from approval of a mandate to progress monitoring and end of project reporting to the Benefit Realisation Board. Project management arrangements were noted to be based on the Prince2 project management methodology, aligned with the Scottish Government Construction Procurement Manual and the Office of Government Commerce Gateway Framework. It was pleasing to find that in accordance with good practice, a standardised "Highlight Report" is used to monitor progress, major risks/ issues/ change requests and targets for the next period. However, the "Highlight Report" template is not used to monitor the progress of all projects. It is considered that the format of the "Highlight Report" is fit for purpose, however consideration should also be given to including an additional requirement for monitoring the key deliverables from implementing the project.

The Internal Audit Section provides Management with an opinion on the internal control environment and also categories risk ratings for recommendations as high, medium or low. The audit recommendations for this review have been classified as follows:

Risk Ratings for Recommendations		
High	Medium	Low
Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Less critically important controls absent, not being operated as designed or could be improved.	Lower level controls absent, not being operated as designed or could be improved.
1	2	-

Recommendations

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
Key Control: Review key controls operate to ensure effective project management of the Improvement and Modernisation Programme.						
5.01	The Project Management Governance Policy should be reviewed and updated to reflect any proposed changes to project management arrangements.	High	Yes	Review has been undertaken and will be considered by CMT/SMT before being reported to Committee	Depute Chief Executive (Education, Communities & Organisational Development)	30/11/2023
5.02	The standardised "Highlight Report" format should be used to monitor progress for all Improvement and Modernisation Programme strategic projects. In addition, consideration should be given to further developing the "Highlight Report" to provide more effective analysis of key deliverables during project implementation.	Medium	Yes	Report format to be reviewed and Senior Responsible Officers will be reminded to use the highlight report for projects following agreement of the business case and to ensure its	Depute Chief Executive (Education, Communities & Organisational Development)	30/11/2023

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				<p>content enables tracking the progress towards key deliverables.</p> <p>Reporting will also be put in place for more structured oversight of progress from project mandate approval to business case to ensure progress or re-prioritisation.</p>		
5.03	Consideration should be given to reviewing the format of future committee reporting arrangements to allow greater transparency in monitoring	Medium		The format for reporting financial performance to Committee will	Chief Financial Officer	30/11/2023

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.		Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
	financial savings derived from implementing Improvement and Modernisation Programme projects.			be updated to ensure greater transparency.		

AUDIT REPORT 24'008**REFUGEE INTEGRATION SCHEME****Executive Summary**

The Annual Audit Plan for 2023/24 provides for a review to be undertaken of systems and procedures to account for grants received and costs relating to Refugee Integration. Asylum is a matter reserved to the UK Government, however local authorities are required to deliver access to essential services like housing, healthcare and education that enable the integration of refugees and asylum seekers in the community. This is undertaken through various humanitarian protection schemes.

The scope of this audit was to review the financial and administrative processes involved in delivering the Ukrainian Refugee Scheme. The emerging Asylum Dispersal, Afghan Citizens Resettlement Scheme and Afghan Relocation & Assistance Policy Scheme did not form part of the audit testing due to limited activity at the time of the review. The Council has supported approximately 140 Ukrainian displaced persons, with allocated funding from the Central Government in 2022/23 of over £1.9 million spread across the Warm Scottish Welcome Fund, Tariff per Displaced Person funding, Host Thank You Payment Funding and Educational Tariff Funding. All these funds have specific requirements and the audit has reviewed the accounting arrangements for administering these schemes and the claiming of expenditure.

The Asylum, Refugee and Resettlement Section within Health & Social Care Moray is operationally responsible for service delivery. However, a cross-service delivery function including Education, Housing and Environmental Health Services is required to ensure an effective integration of refugees and asylum seekers in the community. It is understood that alternative management arrangements for the Asylum, Refugee and Resettlement Section are currently being considered within the Council and Health and Social Care Moray.

The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).

The main areas identified for management attention are as follows:-

- Further improvements are required in budgetary management arrangements. It is appreciated that the delivery of Refugee Schemes requires services to be provided by various sections of the Council and Health and Social Care Moray. However, the Asylum, Refugee and Resettlement Section do not regularly monitor the full costs of delivering these services compared to the available funding. Improved financial recording arrangements should be implemented to allow more accurate financial forecasting and aid the maximisation of the impact of available funding.

- Audit testing was undertaken of the administration of the imprest account. It was found that while an audit trail of cash usage was maintained providing evidence of the distributions to Ukrainian Displaced Persons, the limit of cash authorised to be held by the service was exceeded on multiple occasions. In addition, significant expenditure items were noted to have been paid from the imprest account, which should have been met by alternative procurement methods in accordance with Financial Regulations and Petty Cash Procedures. Usage of the imprest should be monitored to ensure compliance with Council regulations and procedures.

The Internal Audit Section provides Management with an opinion on the internal control environment and also categories risk ratings for recommendations as high, medium or low. The audit recommendations for this review have been classified as follows:

Risk Ratings for Recommendations		
High	Medium	Low
Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Less critically important controls absent, not being operated as designed or could be improved.	Lower level controls absent, not being operated as designed or could be improved.
2	2	4

Recommendations

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
Key Control: Grant funding is effectively managed, monitored and applied for the intended purpose						
5.01	A consolidation exercise should be undertaken to identify all expenditure and designate as costs being met from the available funding. A standard financial monitoring process should thereafter be put in place to ensure funding and its usage is reported and effectively monitored by the service on a monthly basis.	High	Yes	Meeting with Finance on 17 August 2023 arranged to consolidate current spend position across departments. Thereafter forecasting can be agreed to aid a standard financial monitoring statement.	Interim Strategy & Planning Lead	01/12/2023
5.02	Ongoing financial forecasting should be undertaken to allow more informed management decisions to be taken and ensure the full potential of the available funding is utilised.	High	Yes	Through the business case being developed for the service, a financial forecast will identify funding	Interim Strategy & Planning Lead	01/12/2023

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				potential. Monthly forecasting will be undertaken going forward.		
5.03	Improved consolidation of documentation regarding funding awards and related submissions requires to be undertaken to ensure the service holds the full complement of final version documents for clarity and completeness.	Low	Yes	A review of all funding award documentation will be undertaken, cross-referencing with the Scottish Government Policy Team.	Interim Strategy & Planning Lead	01/11/2023
5.04	In establishing the new Asylum, Refugee and Resettlement Section, the temporary employment contracts currently in place for team members should be reviewed and aligned consistently to funding terms.	Low	Yes	A full business case will be developed to address the team structure and long-term sustainability of the team.	Interim Strategy & Planning Lead	31/03/2024

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
5.05	Petty cash reimbursement claims submitted must be based on actual expenditure incurred and always reconcile to the authorised petty cash imprest for the section.	Medium	Yes	Reconciliation to the imprest amount to be actioned.	Project Manager (Resettlement & Refugees)	30/09/2023
5.06	Expenditure incurred through the petty cash fund, other than the cash Welcome Payments, should comply with Council procedure of no single item exceeding £10. Alternative standard procurement routes should be used for any higher value purchases. Receipts for all expenditure incurred should be submitted with petty cash reimbursement claims to account for purchases and ensure input VAT is recovered where applicable.	Medium	Yes	Purchase card now issued and procedures in place for gaining authorisation to spend. Training needs identified for all team members and to be recorded and annually reviewed.	Interim Strategy & Planning Lead	01/12/2023

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
5.07	To improve the audit trail, the master record of hosts and guests should be amended to ensure the date of arrival which is relevant to the initial host payment calculation is clearly recorded. Additionally, all payment calculations which relate to less than a full month of hosting should be checked to confirm accuracy prior to payment processing.	Low	Yes	This has been addressed within the master spreadsheet. Process is now in place for partial payment calculations to be double-checked prior to host payments being made.	Interim Strategy & Planning Lead	Implemented
5.08	Welcome Hub costs sought for reimbursement by central government should be calculated based on actual expenditure incurred and require to be appropriately evidenced.	Low	Yes	Meeting to be held with Finance to close off welcome hub payments appropriately	Project Manager (Resettlement & Refugees)	31/10/2023

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Comments	Responsible Officer	Timescale for Implementation
				as Welcome Hub no longer exists.		



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT,
PERFORMANCE AND RISK COMMITTEE ON 26 OCTOBER
2023

SUBJECT: UPDATE ON IMPROVEMENT PLAN FOR ADULT SOCIAL
CARE COMMISSIONING

BY: HEAD OF SERVICE / CHIEF SOCIAL WORK OFFICER

1. REASON FOR REPORT

- 1.1 To update the Committee of progress regarding the Improvement Plan for Adult Social Care Commissioning in line with the external review conducted by KPMG, finalised in February 2023 since the last Committee meeting on 31 August 2023.

2. RECOMMENDATION

2.1 It is recommended that the Audit, Performance and Risk Committee:

- i) considers and approves the updated Improvement Plan attached at Appendix 1; and**
- ii) notes the progress within this report as at the end of September 2023 in relation to the recommendations detailed in the improvement plan.**

3. BACKGROUND

- 3.1 An external review of the adult commissioning service was undertaken by KPMG and this was completed in February 2023 with a number of recommendations for improvement. These recommendations were approved by Moray Integration Joint Board (MIJB) Audit, Performance and Risk (APR) Committee on 30 March 2023 (para 11 of the minute refers). The Committee requested a quarterly update on progress.
- 3.2 At the MIJB APR Committee on 29 June 2023 (para 11 of the minute refers), the Committee approved an Improvement Plan for the service.

- 3.3 The Committee received an update regarding progress on 31 August 2023 (para 9 of the minute refers) with an agreement to receive an updated Improvement Plan at the next committee.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

Internal Improvement Action Plan Development

- 4.1 Since the meeting of the APR Committee on 31 August 2023, a detailed Improvement Action Plan has been developed, taking into consideration the KPMG findings and the Improvement Plan agreed at Committee.
- 4.2 This detailed Improvement Action Plan ensures that the recommendations are meaningful and can be measured and monitored to enable the reporting of progress to be made at each meeting cycle (see Appendix 1).
- 4.3 The Improvement Action Plan was collated throughout August 2023 and collaboration was sought with colleagues from Internal Audit, Community Care Finance, Procurement and Finance. This ensures collective understanding has been reached in agreeing the recommendations and the intended progress against these recommendations.

Areas of Progress

- 4.4 The Governance Structure that the Commissioning Team sits within is confirmed via the Terms of Reference (ToR) for the Managers Commissioning Meeting. This has raised the profile of commissioning activities with attendance increasing from operational colleagues and invitations to attend other governance meetings to confirm the role of this meeting being forthcoming. This ensures that the importance of good commissioning processes is shared with colleagues.
- 4.5 One of the important roles of the Commissioning Team is to ensure that colleagues within Health and Social Care Moray understand the direction of commissioning in Scotland. The action to undertake a presentation programme for colleagues has elevated in importance by incorporating a section about ensuring all contracts are current, appropriate and signed. Once the timeline has been agreed for the contracts, this will be added to the presentation and delivered to colleagues. This is a priority for the third quarter of the year.
- 4.6 The Commissioning Team have a clear current workload in respect of Contracting and Monitoring work. The individual responsibilities are managed through a weekly team meeting and recorded through a work tracker. This demonstrates progression and ensures accountability. Moreover, each member of the Commissioning Team is able to cover workload and tasks as required due to the cohesive nature that is nurtured within the team through these meetings.
- 4.7 A Commissioning Procedure has been completed and authorised with a review date for 6 months' time to ensure it is fit for purpose. This will be regularly discussed at the Commissioning Team Meeting. In order to underpin this Procedure, a number of process maps have been created to support Health and Social Care Moray in the commissioning and monitoring work that is undertaken. This supports the agreed process for pro-active and reactive

support and monitoring of providers that is detailed in recently completed contracts.

- 4.8 The progression of bringing out of date contracts into date continues at a good pace. Since the last Committee Meeting in August 2023 there has been one contract awarded and one contract is with the provider for signature. There are currently four contracts in the live competitive tender process with a further contract due to be published in the month of October. As described earlier in this report, it is a priority for quarter 3 of this year to agree a process and timeline for the remaining contracts.
- 4.9 The process of managing new pieces of commissioning work identified by gaps in the market has started to be addressed. The referral form that was created so that the commissioning team can allocate work now serves to populate a 'commissioning opportunity' register that is held within the Managers Commissioning Meeting. This will then be escalated through the Health and Social Care Moray governance structure as described in the ToR. Once this is embedded in practice, a process will underpin this that is linked into the Commissioning Procedure.
- 4.10 In order to support and ensure consistency, the commissioning and invoicing processes will introduce a quality check system. This is currently being explored and a pilot will be trialled for both processes.
- 4.11 A representative for the Commissioning Team attends and is an active member of the Strategic Planning and Commissioning Group. This is a quarterly meeting and provides a forum for the Commissioning Team to share national updates and initiatives as well as inform regarding progress against the work plan. Commissioning will become a standing item on the agenda in the form of a summarised update from the Managers Commissioning Meeting.
- 4.12 A Standard Operating Procedure has been completed regarding the invoicing and approval process and has been authorised by Health and Social Care Moray's Chief Financial Officer. This has served to address issues with variances (when a Care First Service Agreement does not match the invoice) and has detailed the process for an audit trail. Budget Managers have engaged in a workshop regarding their budgetary responsibilities with a second session booked for later in 2023.
- 4.13 The Contract Management Process within Commissioning has been strengthened considerably. The team report active monitoring activities on a weekly basis to the Collaborative Care Support Team Meeting. This has served to create closer links to the Care Inspectorate in order to maintain good quality service provision for the people of Moray who access commissioned services. Pro-active monitoring is detailed in all new contracts with standardised requirements as well as contract specific Key Performance Indicators. This includes Annual Contract Meetings and a six month Budget Meeting with every provider that is contracted through the commissioning team. The Budget Meeting is then reported to Chief Finance Officer as required.

Areas for Attention and Next Steps

- 4.14 The Improvement Plan demonstrates the progress that has been made regarding the KPMG recommendations. A significant amount of time has been

taken to ensure that the governance structure surrounding commissioning is operating effectively.

- 4.15 In the next reporting quarter, progress must be made on the delivery of the presentation as well as the process for ensuring the remaining contracts are current, appropriate and signed.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Partners in Care 2022 – 2032”

In order to fulfil the MIJB strategic aims, it is essential that services are operating with optimum efficiency to ensure the needs of the Moray population can be met, that services are fit for purpose and that processes and accountability is clear.

(b) Policy and Legal

The Chief Social Work Officer (CSWO)/Head of Service must ensure that services delegated by their work within the legal and policy framework related to commissioning and delivery of services.

(c) Financial implications

There are no financial implications arising from this report.

(d) Risk Implications and Mitigation

The Improvement Plan implements robust systems and processes in response to the KPMG reports and findings. Regular monitoring and reviewing of the Improvement Plan takes place to ensure actions are progressed. It is noted that the current resource of the team may mean that timescales and outcomes could be delayed. However any risk or emerging risk will be escalated to Committee as part of the regular reporting schedule.

(e) Staffing Implications

There are no staffing implications.

(f) Property

There are no property implications.

(g) Equalities/Socio Economic Impact

This report does not require an EIA.

(h) Climate Change and Biodiversity Impacts

None.

(i) Directions

None.

(j) Consultations

Chief Finance Officer
Procurement
Community Care Finance

Head of Service/CSWO
Service Manager, Children Families and Justice Services

6. CONCLUSION

6.1. The committee is requested to note this report and approve the updated Improvement Action Plan.

Author of Report: Aimee Borzoni, Senior Commissioning Officer






Report Presented by: Lizette Van Zyl, Service Manager

Background Papers:

Ref:



Moray Commissioning Team Improvement Plan 2023

Report Type: Actions Report
Generated on: 27 September 2023









Action Status	
	Cancelled
	Overdue
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed

2.1 Governance Structure


Code	Action Title	Responsibility	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.1.1a	Introduce a Terms of Reference for the Managers Commissioning Meeting	Commissioning Team	31-Aug-2023	Terms of Reference is agreed and authorised	100%	
HSCM COMM AP2.1.1b	Ensure Commissioning activities are a standing item on every agenda for Practice Governance Board and that it is discussed.	Service Manager, Commissioning	31-Aug-2023	Commissioning Activities are a standing item on every agenda for Practice Governance Board and it is discussed	100%	
HSCM COMM AP2.1.2a	Ensure Commissioning is represented at Practice Governance Board	Service Manager	29-Feb-2024	Service Manager with responsibility for Commissioning attends	100%	
			29-Feb-2024		100%	

HSCM COMM AP2.1.2b	The Terms of Reference for Managers Commissioning will cover attendance and expectations for Deputes and decision making	Commissioning Team		Terms of Reference covers attendance and expectations for Deputes and decision making		
HSCM COMM AP2.1.3	An Agenda and Action Log will be created for Managers Commissioning Meeting	Commissioning Team	31-May-2023	An agenda and action log has been created for Managers Commissioning Meeting	100%	

2.2 Roles and Responsibilities

Code	Action Title	Responsibility	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.2.1a	Ensure every member of staff that works in the Commissioning Team has a Job Description and it is available	HR	31-May-2023	Saved on the Shared Drive	100%	
HSCM COMM AP2.2.1b	Ensure every member of staff that works in the commissioning team has had the opportunity to discuss their job description at supervision to determine understanding	Commissioning Team	31-May-2023	Supervision is documented	100%	
HSCM COMM AP2.2.2a	Commissioning and Procurement will meet regularly to corroborate the contract timeline	Commissioning Team	31-Aug-2023	Meetings have been held in July/August/September 2023	100%	
HSCM COMM AP2.2.2b	The Commissioning Manager and Chief Finance Officer will meet every month to review block funded commissioned budgets	Commissioning Team	31-Aug-2023	Dates set	100%	
HSCM COMM AP2.2.2c	A presentation of the remit of the Commissioning Team and future direction of the commissioning function will be created and delivered for colleagues in HSCM.	Commissioning Team	31-Aug-2023	Ethical Commissioning presentation is completed. Discovered a need to include information on the prioritisation of expired contracts. This action is delayed in order to include this information - will make the presentation more robust.	50%	
HSCM COMM AP2.2.3a	A team meeting will be held every week to discuss workload and this will be monitored with a work tracker	Commissioning Team	29-Feb-2024	A team meeting is held every week and the workload tracker is updated at this meeting.	100%	
HSCM COMM AP2.2.3b	A Contract work plan that informs the Departmental Procurement Action Plan and a Monitoring annual work plan will be created.	Commissioning Team	29-Feb-2024	The annual work plan will be created by 31st March each year and agreed through the Managers Commissioning Meeting reporting structure as outlined in the Terms of Reference	50%	
HSCM COMM AP2.2.3c	All staff will engage with supervision sessions with their line manager in accordance with policy.	Commissioning Team	29-Feb-2024	Supervision takes place every 6-8 weeks and is diarised throughout the year	100%	


2.3 Training

Code	Action Title	Responsibility	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.3.1	A training matrix will be created that clearly details intended training for all commissioning staff members. Staff will be trained in core and service specific training.	Commissioning Team	31-Aug-2023	A training matrix has been created and staff have undertaken core and service specific training	100%	

2.4 Process Documentation


Code	Action Title	Responsibility	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.4.1	A detailed Commissioning Procedure will be created with underpinning process maps and guidance	Commissioning Team	31-Aug-2023	A commissioning Procedure has been created with underpinning process maps and guidance	100%	
HSCM COMM AP2.4.2a	The Commissioning Procedure will be discussed at the weekly commissioning team Meetings and Supervision	Commissioning Team	31-Aug-2023	The Commissioning Team have started discussing this procedure at the team meeting. Process Maps have been discussed.	50%	
HSCM COMM AP2.4.2b	A library of process maps and guidance documents should be maintained and made available to staff for future reference.	Commissioning Team	31-Aug-2023	Complete - a commissioning needs form, CCIs, Contract Monitoring Form	100%	
HSCM COMM AP2.4.3	Budget Managers will be informed through a workshop of their budgetary responsibilities	Accountancy	31-Aug-2023	Budget Managers engaged in this workshop on the 21st September 2023. A second session for those that missed this is booked for the 25th October 2023	80%	

2.5 Sample Testing



Code	Action Title	Responsibility	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.5.1	An action plan will be put in place to ensure all contracts are current, appropriate and signed. Agreement needs to be reached with Procurement Colleagues and Service Managers regarding the timeline of this.	Commissioning Team	28-Feb-2025	Six priority contracts were identified and are the immediate plan for completion. The timeline for the remaining contracts needs to be agreed and an action plan created for this.	25%	

HSCM COMM AP2.5.2	Invoices are matched against Service Agreements within the Care first system, ensuring approved expenditure matches provider invoice. This is detailed within the Invoice Processing Standard Operating Procedure (SOP).	Community Care Finance Team	28-Feb-2025	Standard Operating Procedure complete and authorised by Chief Finance Officer	100%	
HSCM COMM AP2.5.3	Invoices are recorded and approved by managers. Moray Council Payments Team have a further check in place to ensure all invoices have appropriate approval. This is detailed within the Invoice Processing Standard Operating Procedure (SOP).	Community Care Finance Team	28-Feb-2025	Standard Operating Procedure complete and authorised by Chief Finance Officer	100%	
HSCM COMM AP2.5.4a	A robust process will be put in place that provides a clear audit trail for the authorisation of contracts and associated documentation.	Commissioning Team	28-Feb-2025	A robust audit trail is in place for the authorisation of contracts and associated documents.	100%	
HSCM COMM AP2.5.4b	Health and Social Care Management will put in place a peer support system and management quality check system for the Commissioning Team and Community Care Finance	Service Manager	28-Feb-2025	An effective system needs to be explored	0%	

2.6 Strategy

Code	Action Title	Agency	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.6.1	The Commissioning Service will attend and be active members of the Strategic Planning and Commissioning Group	Commissioning Team	29-Feb-2024	Commissioning Manager attends these meetings and will delegate as required	100%	


2.7 Invoicing

Code	Action Title	Agency	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.7.1	The Community Care Finance (CCF) team will include a process for variances (when an invoice does not match the Carefirst Service Agreement) in a Standard Operating Procedure (SOP) for the invoicing process.	Community Care Finance Team	29-Feb-2024	Standard Operating Procedure complete and authorised by Chief Finance Officer	100%	
HSCM COMM AP2.7.2	Will ensure all evidence is retained throughout the invoicing process to ensure there is an adequate audit trail for all decision making.	Community Care Finance Team	29-Feb-2024	Process for this is detailed in the Standard Operating Procedure and this has been authorised by Chief Finance Officer	100%	

2.8 Contract Management



Code	Action Title	Responsibility	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.8.1	The Departmental Contract Database will be reviewed, brought up to date and maintained.	Commissioning Team	31-Aug-2024	The Departmental Contract Database has been reviewed, brought up to date and is maintained	100%	
HSCM COMM AP2.8.2a	The Departmental Contract Database will be a protected document and updated by the team's Clerical Assistant under instruction from Senior Commissioning Officers and Commissioning Co-ordinators.	Commissioning Team	31-Aug-2024	The Departmental Contract Database is a protected document and updated by the team's Clerical Assistant under instruction from Senior Commissioning Officers and Commissioning Co-ordinators	100%	
HSCM COMM AP2.8.2b	Senior Commissioning Officers will carry out quarterly checks on the Departmental Contract Database regarding the information being up to date and accurate with no gaps in data.	Commissioning Team	31-Aug-2024	Diarised for Sen. Commissioning Officer	50%	
HSCM COMM AP2.8.3	The Departmental Contract Database will be saved on the Moray Council Social Care Shared Drive.	Commissioning Team	31-Aug-2024	Saved on the Commissioning shared drive	100%	

2.9 Performance Management System


Code	Action Title	Responsibility	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.9.1a	A Performance Management system should be put in place	Commissioning Team	29-Feb-2024	Explore Pentana	50%	

2.10 Contract Review


Code	Action Title	Responsibility	Due Date	Latest Status Update	Status Progress	Status Icon










HSCM COMM AP2.10.1a	The Contract Management Process in place will be reviewed, standardised and strengthened with process maps. This process ensures monitoring of providers for suitability. This will be reflected in the contract.	Commissioning Team	31-Aug-2023	Process maps for proactive and reactive monitoring are in place.	100%	
HSCM COMM AP2.10.1b	A Contract Record Document will be created that will support the reviewing of contracts.	Commissioning Team	31-Aug-2023	Contract Record Document has been created and is being piloted with two contracts	100%	

2.11 Block Contracts

Code	Action Title	Responsibility	Due Date	Latest Status Update	Status Progress	Status Icon
HSCM COMM AP2.11.1	All Providers are subject to an Annual Contract Meeting and a 6 monthly budget meeting to ensure best value is being achieved. This is reported to the Chief Finance Officer as required. This will be in every contract going forward	Commissioning Team and Finance Team	31-Aug-2023	Annual Contract Meetings have taken place this year for all providers and the 6 month budget meetings will take place throughout October 23	100%	

MORAY COMMISSIONING TEAM IMPROVEMENT PLAN

Code	Action Title	Due Date	Status Progress	Status Icon
HSCM COMM AP2.1	2.1 Governance Structure	29-Feb-2024	100%	

HSCM COMM AP2.2	2.2 Roles and Responsibilities	29-Feb-2024	87%	
HSCM COMM AP2.3	2.3 Training	31-Aug-2023	100%	
HSCM COMM AP2.4	2.4 Process Documentation	31-Aug-2023	83%	
HSCM COMM AP2.5	2.5 Sample Testing	28-Feb-2025	65%	
HSCM COMM AP2.6	2.6 Strategy	29-Feb-2024	50%	
HSCM COMM AP2.7	2.7 Invoicing	29-Feb-2024	100%	
HSCM COMM AP2.8	2.8 Contract Management	31-Aug-2024	87%	
HSCM COMM AP2.9	2.9 Performance Management System	29-Feb-2024	50%	
HSCM COMM AP2.10	2.10 Contract Review	31-Aug-2023	100%	
HSCM COMM AP2.11	2.11 Block Contracts	31-Aug-2023	100%	