



Audit, Performance and Risk Committee

Thursday, 27 June 2024

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, 27 June 2024 at 09:30** to consider the business noted below.

AGENDA

1. **Welcome and Apologies**
2. **Declaration of Member's Interests**
3. **Minute of meeting of 29 February 2024** 5 - 10
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11. **Unaudited Annual Accounts 2023-24** 213 - 284
12. **Directions Update** 285 - 292

MORAY INTEGRATION JOINT BOARD

SEDERUNT

Mr Sandy Riddell (Chair)

Mr Derick Murray (Voting Member)
Councillor Scott Lawrence (Voting Member)
Councillor Ben Williams (Voting Member)
Mr Sean Coady (Member)
Ms Janette Topp (Member)
Ms Sonya Duncan (Member)
Ms Deborah O'Shea (Member)

Ms Deirdre McIntyre (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, 29 February 2024

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

PRESENT

Mr Simon Bokor-Ingram, Mr Sean Coady, Councillor Scott Lawrence, Mr Derick Murray, Ms Deborah O'Shea, Mr Sandy Riddell, Councillor Ben Williams

APOLOGIES

Ms Sonya Duncan, Ms Deirdre McIntyre

IN ATTENDANCE

Public Sector Audit Director - Scotland, Grant Thornton UK LLP; Chief Internal Auditor; Chief Social Work Officer/Head of Service; Service Manager, Provider Services and Caroline O'Connor, Committee Services Officer.

1. Chair

The meeting was chaired by Councillor Scott Lawrence.

2. Declaration of Member's Interests

Mr Riddell stated for transparency that he was Chair of the Mental Welfare Commission Scotland.

The Board noted that there were no other declarations of member's interests.

3. Minute of Meeting of 26 October 2023

The minute of the meeting of 26 October 2023 was submitted and approved.

4. Action Log of Meeting of 26 October 2023

The Action Log of the meeting of 26 October 2023 was discussed and updated accordingly.

5. Quarter 2 and 3 (July-December 2023) Performance Report

The meeting had before it a report by the Corporate Manager updating the Committee on performance as at Quarter 3 (October-December 2023). Quarter 2 and 3 analysis was incorporated into the report.

In response to a query from Mr Murray regarding why Figure 1 Performance Summary references new targets when there are already targets set, the Chief Officer advised some targets require to be revised when national trajectories change but acknowledged it would be useful for an explanation to be included when targets change to ensure Committee understand why the changes have been made.

In response to a query from the Chair regarding the increase in rates of emergency admissions for over 65s per 1000 population and whether the figures were adjusted to take account of the continual increase of the over 65s population, the Chief Officer confirmed he understood the figures related to per 1000 population and there was no adjustment in demography. The Chair stated it would be helpful for information to be included to show if the increase related to the increasing population of over 65s or if there was another reason for the rise.

Following consideration the Committee unanimously agreed to note :-

- i) the performance of local indicators for Quarters 2 and 3 (July to December 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.

6. Quarter 3 (October to December 2023) Performance Report Childrens Social Work and Justice Services

The meeting had before it a report by the Chief Social Work Officer/Head of Service informing the Committee on performance as at Quarter 2 (October to December 2023).

Following consideration the Committee unanimously agreed to note:-

- i) the performance of local indicators for Quarter 3 (October to December 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

The meeting had before it a report by the Chief Internal Auditor asking Committee to consider the contents of the report, seek clarification on any points noted and otherwise note the report.

Mr Riddell expressed concern that recommendations in the Appendices have not been followed through by the completion dates and in terms of governance, the Committee could therefore not be assured that the issues raised by the Chief Internal Auditor were going to be addressed. In response the Chief Internal Auditor confirmed

he shared Mr Riddell's concerns and whilst appreciating the ongoing demands on services, workload pressures and reduced budgets, he will need to reflect these issues within his annual opinion. He noted services were committed to implementing the changes and whilst progress was being made, changes sometimes take longer to implement than the date initially committed to.

Following consideration the Committee unanimously agreed to note the audit update.

8. Financial Strategic Risk Register - January 2024

The meeting had before it a report by the Chief Officer providing Committee with an overview of the increase to the strategic financial risks, along with a summary of actions which are in place to mitigate those risks, updated January 2024.

The Chief Officer advised the target date in the Further Controls Required section of the Appendix relating to the financial development workshop with MIJB members should read 7 March 2024 and would ensure this was corrected in the final version.

Following consideration the Committee unanimously agreed to:-

- i) note the updated Financial Strategic Risk Register included in Appendix 1;
- ii) the draft format of the new Strategic Risk Register; and
- iii) note that, as agreed, any significant changes to the register outwith the reporting cycle would be presented at the first opportunity.

Councillor Williams left the meeting at this juncture.

9. Internal Audit Section - Completed Projects

The meeting had before it a report by the Chief Internal Auditor providing an update on audit work completed since the last meeting of the Committee.

Mr Murray referred to the concerns raised by the Chief Internal Auditor in relation to the Moray Integrated Community Equipment Store audit and noted that a stock take audit should be standard practice as part of the operation of the store. In response the Service Manager, Provider Services advised the service is currently operating with two different systems across six different sites which causes complications however to provide assurance and evidence implementation, he offered to bring back a comprehensive delivery plan and update report to the next APR Committee.

Following consideration the Committee unanimously agreed to note the audit update.

10. Internal Audit Plan 2024-25

The meeting had before it a report by the Chief Internal Auditor providing the Committee with information on the proposed internal audit coverage for the 2024/25 financial year.

Following consideration the Committee unanimously agreed the proposed audit coverage.

11. Care at Home Inspection Report

The meeting had before it a report by the Service Manager, Provider Services updating the Committee on the outcome of the recent inspection of the Care at Home Services by the Care Inspectorate.

The Committee joined the Chair in thanking all staff involved for their hard work which had resulted in such a positive inspection report.

Following consideration the Committee unanimously agreed to note the outcome of the inspection of the Care at Home Services by the Care Inspectorate.

12 Residential Child Care Service (CALA) Inspection Report

The meeting had before it a report by the Service Manager, Provider Services updating the Committee on the outcome of the recent inspection of the Care Home Service by the Care Inspectorate.

The Committee joined the Chair in thanking all staff involved for their hard work which had resulted in such a positive inspection report.

Following consideration the Committee unanimously agreed to note the outcome of the inspection of the Care Home (Children and Young People) Service by the Care Inspectorate.

13. Joint Inspection of Services for Children and Young People at Risk of Harm in Moray

The meeting had before it a report by the Chief Social Work Officer/Head of Service informing the Committee of an overview of the findings from the joint inspection of Children's Services by the Care Inspectorate report published on 23 January 2024, as at Appendix 1.

Mr Riddell welcomed the report and was encouraged by the service's awareness of the areas for improvement however noted the governance structure is complicated and suggested it would be prudent to map out where responsibility sits with the IJB to clarify responsibility and roles. In response the Chief Social Work Officer/Head of Service confirmed she would bring the Improvement Action Plan and the governance structure chart to the next Committee to provide clarity.

Following consideration the Committee unanimously agreed to note:-

- i) the overview of the findings from the joint inspection of Children's Services by the Care Inspectorate; and
- ii) the Children's Services partnership are developing an improvement plan in respect of the findings.

14. Directions Update

The meeting had before it a report by the Chief Financial Officer informing the Committee of the issued Directions of the Moray Integration Joint Board (MIJB) for the period 1 April to 30 November 2023.

Following consideration the Committee unanimously agreed to note the Directions issued in the period April to November of 2023/24.

**15. Update on Improvement Plan for Adult Social Care Commissioning
[Para 6.2.2]**

The meeting had before it a report by the Chief Social Work Officer/Head of Service informing 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.

The Chief Internal Auditor emphasised the importance of momentum of progress and suggested the service should provide regular updates on progress to the Committee. In response the Chief Social Work Officer/Head of Service confirmed regular updates would be brought to Committee and she would seek advice from the Chief Internal Auditor on how to best record the evidence.

Mr Riddell moved, in terms of good governance, that the wording in recommendations (i), (ii) and (iii) be amended to "endorse" rather than "note".

Following consideration and there being no one otherwise minded the Committee unanimously agreed to:

- i) endorse the progress since October 2023 in relation to the recommendations detailed in the Improvement Plan attached at Appendix 1;
- ii) endorse the updated Improvement Action Plan approved by Moray Integration Joint Board (MIJB) Audit Performance and Risk (APR) Committee on 26 October 2023 (para 12 of the minute refers) attached as Appendix 2;
- iii) endorse the draft Procurement and Commissioning Timeline, in relation to the provision of assurance around the completion of contracts, attached at Appendix 4; and
- iv) agree that Internal Audit will undertake a follow up review after the final date of the Improvement Plan.



MEETING OF MORAY INTEGRATION JOINT BOARD
AUDIT, PERFORMANCE AND RISK COMMITTEE
THURSDAY 29 FEBRUARY 2024

ACTION LOG

Item No.	Title of Report	Action Required	Due Date	Action By	Update for 27 June 2024
1.	Q1 Performance Report	Information to be provided about the support that is on offer to staff to help improve their wellbeing.	27 June 2024	Natalie Jeffrey	HSCM is finalising a Health and Safety Delivery Plan, which will be shared at the next APR Committee meeting along with the Workforce delivery plan.
2.	Items for Escalation to MIJB	Report to MIJB following the Development Session on mental health services in Moray	28 March 2024	Katie Kinnear	Presented to MIJB 30 November and 28 March 2024. Further update being presented to MIJB in September 2024.
3.	Internal Audit Section – Completed Projects	Update report and progress delivery plan in relation to the Moray Integrated Community Equipment Store audit to be provided to next meeting.	27 June 2024	John Campbell	Report to be presented to Committee on 26 Sept 2024

Item No.	Title of Report	Action Required	Due Date	Action By	Update for 27 June 2024
4.	Joint Inspection of Services for Children & Young People at Risk of Harm	Improvement Action Plan and governance structure chart to be provided to next meeting.	27 June 2024	Jim Lyon	Report to be presented to Committee on 26 September 2024
5.	Update on Improvement Plan for Adult Social Care Commissioning	Regular progress updates to be provided to Committee and CSWO to seek advice from Chief Internal Auditor on how to best record the evidence.	27 June 2024	Jim Lyon	Report to be presented to Committee on 26 September 2024



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 27 JUNE 2024

SUBJECT: QUARTER 4 PERFORMANCE REPORT

BY: CORPORATE MANAGER

1. REASON FOR REPORT

1.1 To update the Audit, Performance and Risk Committee on performance as at Quarter 4 (January-March 2024).

2. RECOMMENDATION

2.1 It is recommended that the Committee consider, provide comment on and note:

- i) the performance of local indicators for Quarter 4 (January to March 2024) 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; and**
- iii) the performance report from the Children & Families Social Work and Justice Service at Appendix 2.**

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.

3.2 **Appendix 1** identifies local indicators for the MIJB and the functions delegated by NHS Grampian and Moray Council, to allow wider scrutiny by the Board.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 Local Indicators are assessed on their performance via a common performance monitoring Red, Amber, and Green (RAG) traffic light rating system.

RAG scoring based on the following criteria:

GREEN	If Moray is performing better than target.
AMBER	If Moray is performing worse than target but within agreed tolerance.
RED	If Moray is performing worse than target by more than agreed tolerance.

4.2 The detailed performance report for quarter 4 is attached in **Appendix 1**.

Summary

4.3 Performance within Health and Social Care Moray (HSCM) as demonstrated by the agreed indicators up to the end of quarter 4 of the financial year 2023/24 are showing as variable. One of the indicators is presenting as green, three are amber and seven are red. This represents reduced performance when compared to the same period in the previous year. The contributing factors are indicated in the report, however it should be noted that there are excellent mitigations in place that are having a slow, yet steady impact.

4.4 Figure 1 provides a summary and the historical trends. A summary of performance for each of the 6 reporting categories is provided below. Three of these areas are presenting as amber, while the other three are red.

EMERGENCY DEPARTMENT - AMBER

4.5 There was a slight increase in the rate attending per 1,000 this quarter from **21.8** to **22.6**. This is also a slight increase on the number presenting during the same period last year

DELAYED DISCHARGES – RED

4.6 The number of delays at the end of Quarter 4 have increased from **37** to **43**, this has shown an upward trend from **26** in the same period 2022/23, but slightly lower than the **46** recorded in the same quarter 2021/22. This is significantly higher than the target of 10.

4.7 Bed days lost due to delayed discharges increased significantly from **1,162** to **1501** in quarter 4. This is almost three times the target.

EMERGENCY ADMISSIONS – AMBER

4.8 The rate of emergency occupied bed days for over 65s continues to decrease since the end of quarter 4 2022/23 the rate has decreased from **2,749** to **2,509**, however this still exceeds the target of **2,320** per 1,000 population.

4.9 The emergency admission rate per 1000 population for over 65s decreased in quarter 4 from **188.7** to **179.9**, it is showing continued improvement and is now slightly above the target of **177**.

4.10 Similarly, the number of people over 65 admitted to hospital in an emergency decreased to **125.8** over quarter 4 and from **132.9** in quarter 3. This also reflects an improving downward trend and is closer to the target of **121**.

HOSPITAL RE-ADMISSIONS - AMBER

4.11 The 28-day re-admissions remained within target at **8.3%**. With the 7-day re-admission rate also decreasing to **4.4%** at the end of quarter 4, increasing to slightly higher than the target of **3.9%**.

MENTAL HEALTH – RED

- 4.12 There has been a continued increase for the second quarter in row with **57%** of patients now being referred within 18 weeks at the end of quarter 4 2023/24. The target for this measure is currently **90%**.

STAFF MANAGEMENT – RED

- 4.13 Sickness absence for NHS employed staff decreased from **6.6%** to **5.7%** in quarter 4, this is slightly lower than the same period in 2022/23. Moray Council employed staff sickness increased to **9.7%** in quarter 4 from **9.6%** in quarter 3, these figures are comparable to those for the same period last year.

Figure 1 – Performance Summary

Health and Social Care Moray Performance Report								
Code	Barometer (Indicator)	Q4 2223 Jan-Mar	Q1 2324 Apr-Jun	Q2 2324 Jul-Sep	Q3 2324 Oct-Dec	Q4 2324 Jan-Mar	Target	RAG
AE	Accident and Emergency							
AE-01	A&E Attendance rate per 1000 population (All Ages)	20.6	23.6	23.3	21.8	22.6	21.9	A
DD	Delayed Discharges							
DD-01	Number of delayed discharges (including code 9) at census point	26	30	26	37	43	10	R
DD-02	Number of bed days occupied by delayed discharges (including code 9) at census point	751	732	845	1162	1501	304	R
EA	Emergency Admissions							
EA-01	Rate of emergency occupied bed days for over 65s per 1000 population	2749	2699	2628	2598	2509	2320	R
EA-02	Emergency admission rate per 1000 population for over 65s	185.8	186.8	189.9	188.7	179.9	177	A
EA-03	Number of people over 65 years admitted as an emergency in the previous 12 months per 1000 population	129.2	129.8	133.2	132.9	125.8	121	A
HR	Hospital Readmissions							
HR-01	% Emergency readmissions to hospital within 7 days of discharge	3.6%	4.0%	3.9%	3.3%	4.4%	3.9%	R
HR-02	% Emergency readmissions to hospital within 28 days of discharge	7.5%	8.1%	8.6%	7.9%	8.3%	8.4%	G
MH	Mental Health							
MH-01	% of patients commencing Psychological Therapy Treatment within 18 weeks of referral	73%	63%	50%	52%	57%	90%	R
SM	Staff Management							
SM-01	NHS Sickness Absence (% of hours lost)	5.9%	4.8%	5.7%	6.6%	5.7%	4%	R
SM-02	Council Sickness Absence (% of days lost)	9.7%	7.0%	8.4%	9.6%	9.7%	4%	R

Note: In order to match other national and local data sources indicators are showing the last month in the reporting quarter.

*From May 2022, the census figures for April 2021 onwards include delays due to infection control measures in place at hospital (delay reason codes 26X and 46X)

- 4.14 The performance data and reporting for Children & Families Social Work and Justice Service will continue to be developed and presented to committee in September 2024.

5. **AREAS NOT MEETING TARGETS**

Delayed Discharge

- 5.1 The number of people waiting to be discharged from hospital at census date (DD-01) has increased to **43**. The number of bed days occupied (DD-02) has increased to **1501** days, this is a significant increase from Quarter 3 and double the figure of the previous year.
- 5.2 During Quarters 3 and 4, our contracted partner provider faced significant constraints and was unable to accept any new cases and some cases were transferred back to Care at Home for management and delivery. Unfortunately, this situation had broader implications for various services and also resulted in Care at Home having reduced capacity to take on any new cases, all of this contributing to delays in discharge.
- 5.3 The Scottish Government is currently revising the target figures, based on a ratio per 100,000. As a result the new target for Moray will be **27**.
- 5.4 Additionally, a comprehensive review of national delayed discharge reporting and criteria is underway, which will enhance the accuracy and comparability of reporting across Scotland.
- 5.5 The current situation has led to individuals being placed in care homes or hospitals on an interim basis.

Mitigation

- 5.6 The daily Moray Portfolio Additional Flow meeting adopts a multidisciplinary team (MDT) approach to address individuals categorised as delayed. There is a specific focus on those who have experienced prolonged delays.
- 5.7 Whole system Moray Portfolio flow meetings occur daily with operational staff from all services in attendance to ensure system wide awareness of the pressures that may impact patient flow. All services provide a status and capacity update allowing improved communication and quicker deployment of resources to those services most in need.
- 5.8 The Hospital Discharge Team continues to scrutinise and update delays daily. The Care at Home team continue to enable additional rotas to be opened where possible, ensuring that all care is appropriate and reviewed as timeously as possible.
- 5.9 All community hospital delays 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 is well embedded, and all resource decisions are monitored at portfolio flow and delayed discharge meetings.

- 5.10 There continues to be a review of all Care at Home, focusing on the model of delivery for internal and external care at home and alternatives to the care at home service, in particular, utilising other community resources and assets. A strategic lead has been identified to lead on facilitating this process, including the specification for the new contract.

Emergency Admissions

- 5.11 The rate of emergency occupied bed days has slowly started to decrease since March 2023 from **2749** to **2509** in quarter 4 2023/24, however this reflects a system still under pressure.
- 5.12 Readmissions continue to be a challenge across the system, striking the balance between length of stay, thorough assessment and seamless transition into the community setting is crucial. The MDT planning and effective communication remains a top priority to improve outcomes for all patients.

Mitigation

- 5.13 There is a focus on flow through the system, and minimising delays in people's pathway journeys is a priority. The work on prevention plays a crucial role, encompassing social prescribing, effective signposting and targeted health improvement programmes. Access to primary care is vital for early intervention and supporting people to stay within the community, The Primary Care Vision work continues to progress.
- 5.14 The heightened focus on frailty work at both the national and Moray levels appears to be yielding positive results. Early indications suggest a reduction in presentations within this age group in those areas.

Mental Health

- 5.15 There is a continued increase in the number of patients commencing Psychological Therapy within 18 weeks in quarter 4, from **52%** to **57%**.
- 5.16 Several factors contribute to fluctuations in the number of referrals made to the service and subsequently to the waiting list. The complexity of illnesses means that some individuals remain in treatment for extended periods, which ultimately reduces the services capacity.

Mitigation

- 5.17 The service is linked into the Grampian wide Psychological Therapies Improvement Board meetings looking at capacity within the service and trajectory planning.
- 5.18 The implementation of the ten Medication Assisted Treatment Standards, (MATS): evidence-based standards to enable the consistent delivery of safe, accessible, high quality drugs treatments across Scotland, sees Moray continuing to progress well with the standards and early feedback indicates that Moray is continuing to meet the benchmarks set.

- 5.19 A Cognitive Behavioural Therapist (CBT) has been appointed and this has started to have an impact on waiting list.

Staff Management

- 5.20 NHS staff absences due to sickness are continuing to decrease with a slight improvement from **6.6%** to **5.7%** in quarter 4.
- 5.21 Sickness absence for Moray council employed HSCM staff has increased slightly from **9.6%** to **9.7%**, the same figure as quarter 4 in 2023. This continues to be the highest level for the last two years. It was noted in Quarter 3 that the causes of sickness were predominantly Mental Health reasons and Muscular-skeletal injuries. Typically, during this period there is also a continuation in the common trend of winter respiratory illnesses.

Mitigation

- 5.22 There continues to be a number of programmes offered by both Moray Council and NHS Grampian to provide support staff health and wellbeing e.g. Mental Health First Aid, We Care.

Retention of Care at Home/Home Care/Care Provider Staff

- 5.23 Recruitment for health care support worker and social care assistant posts remains a challenge, posts are advertised and remaining vacant, on scrutinising exit surveys the top 3 reason for leaving Social Care Assistant posts are resignation, to take up a new job, resignation for personal reasons, or retirement. The flexibility with moving posts remains alongside that the path for career progression is clearly discussed with new employees.
- 5.24 The ongoing recruitment and retention programme across Care at Home, Care Providers and Care Homes continues to run with 21 new staff joining the Care at Home Service over quarter 4. Care at Home staff retention is currently holding stable at 84%, which remains higher than the national average.
- 5.25 Within this sector, in the past few months, workers have received another pay grade rise resulting in increased interest in the role.
- 5.26 The bi-monthly improved induction programme for Care at Home has been well attended with the largest cohort due to attend in July. This has been core to the recruitment cells priorities and is shown to be effective with positive feedback being received from attendees and maintenance of a higher than average retention rate.
- 5.27 In addition, training on new initiatives, available for all partnership staff, around care provision are planned for June 2024 further allowing personal development to staff, an increased skillset for the service and the potential to address some of the current and future demand for the care at home service.

6. 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 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.

(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 this report.

(h) Climate Change and Biodiversity Impacts

No climate change or biodiversity implications have been determined for this policy/activity.

(i) Directions

There are no directions arising from this report.

(j) Consultations

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

7. CONCLUSION

7.1 This report provides the Committee with an overview of the performance of specified Local and National indicators and outlines

actions to be undertaken to improve performance in Section 4 and expanded on in Appendix 1 and Appendix 2.

Authors of Report: Sonya Duncan, Corporate Manager
Iain McDonald, Locality Manager/Deputy Head of Service
Aylsa Kennedy, Performance Officer
Donna Borek, Team Manager
Jillian Petrie, Team Manager



PERFORMANCE REPORT SUPPORTING CHARTS

QUARTER 4
2023/24

(1 JANUARY 2024 – 31 MARCH 2024)

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1. PERFORMANCE SUMMARY

BAROMETER OVERVIEW

Moray currently has **11 local indicators**. Of these **1 is Green**, **3 are Amber** and **7 are Red**.

Figure 1 - Performance Summary

Health and Social Care Moray Performance Report								
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EA-02	Emergency admission rate per 1000 population for over 65s	185.8	186.8	189.9	188.7	179.9	177	A
EA-03	Number of people over 65 years admitted as an emergency in the previous 12 months per 1000 population	129.2	129.8	133.2	132.9	125.8	121	A
HR	Hospital Readmissions							
HR-01	% Emergency readmissions to hospital within 7 days of discharge	3.6%	4.0%	3.9%	3.3%	4.4%	3.9%	R
HR-02	% Emergency readmissions to hospital within 28 days of discharge	7.5%	8.1%	8.6%	7.9%	8.3%	8.4%	G
MH	Mental Health							
MH-01	% of patients commencing Psychological Therapy Treatment within 18 weeks of referral	73%	63%	50%	52%	57%	90%	R
SM	Staff Management							
SM-01	NHS Sickness Absence (% of hours lost)	5.9%	4.8%	5.7%	6.6%	5.7%	4%	R
SM-02	Council Sickness Absence (% of days lost)	9.7%	7.0%	8.4%	9.6%	9.7%	4%	R

2. DELAYED DISCHARGE - RED

Trend Analysis

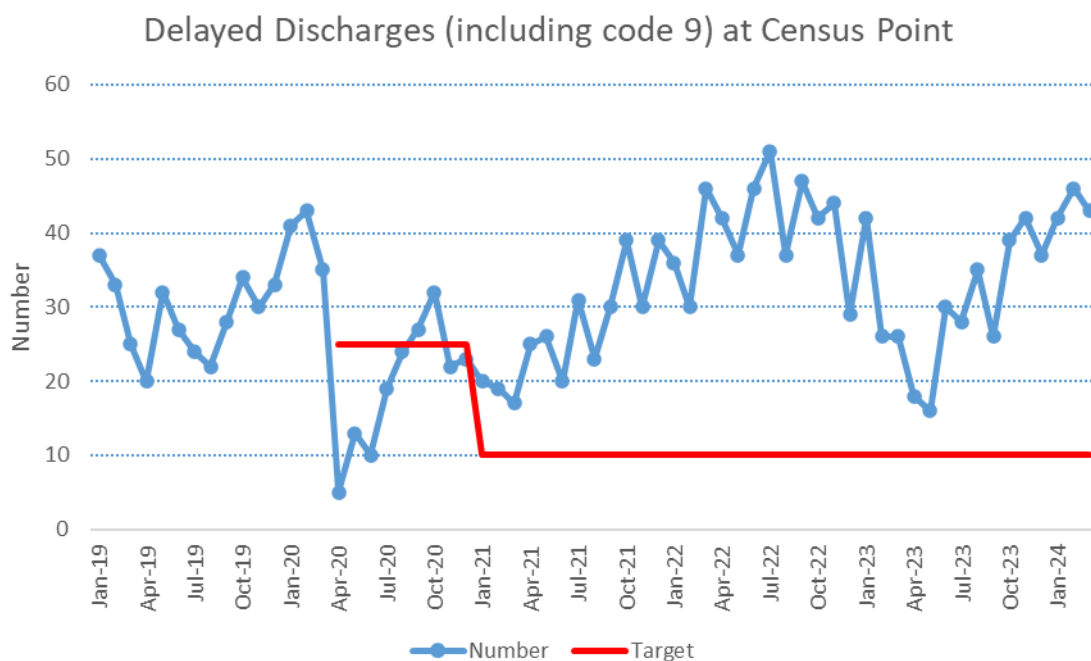
The number of delays at the March quarter 4 snapshot was up to **43**, from a low of **26** at the same time last year. While there is a lot of variation weekly (and even daily) operationally the daily figure did not drop below 40 in this period.

Bed days lost due to delayed discharges increased to **1,501** this quarter from **751** in the same period last year. This mirrors the increase in the more volatile snapshot days (DD-01) measure and demonstrates that the trend is indeed increasing overall in Delayed Discharges over this period with a more significant increase in the bed days lost.

DD-01: NUMBER OF DELAYED DISCHARGES (INCLUDING CODE 9, CENSUS SNAPSHOT, AT END OF QUARTER)

Purpose	Reliably achieving timely discharge from hospital is an important indicator of quality and is a marker for person centred, effective, integrated, and harm free care.		
Strategic Priority	2: HOME FIRST	Linked Indicator(s)	DD-02
National Health & Wellbeing Outcomes	2, 3, 5, 7		

Figure 2 – Delayed Discharges



Indicator Trend – Increasing

Despite some volatility in numbers from month to month the underlying trend for the number of people experiencing Delayed Discharge continues to increase from a low at the end of Quarter 2 2023/24.

Source [Public Health Scotland](#)

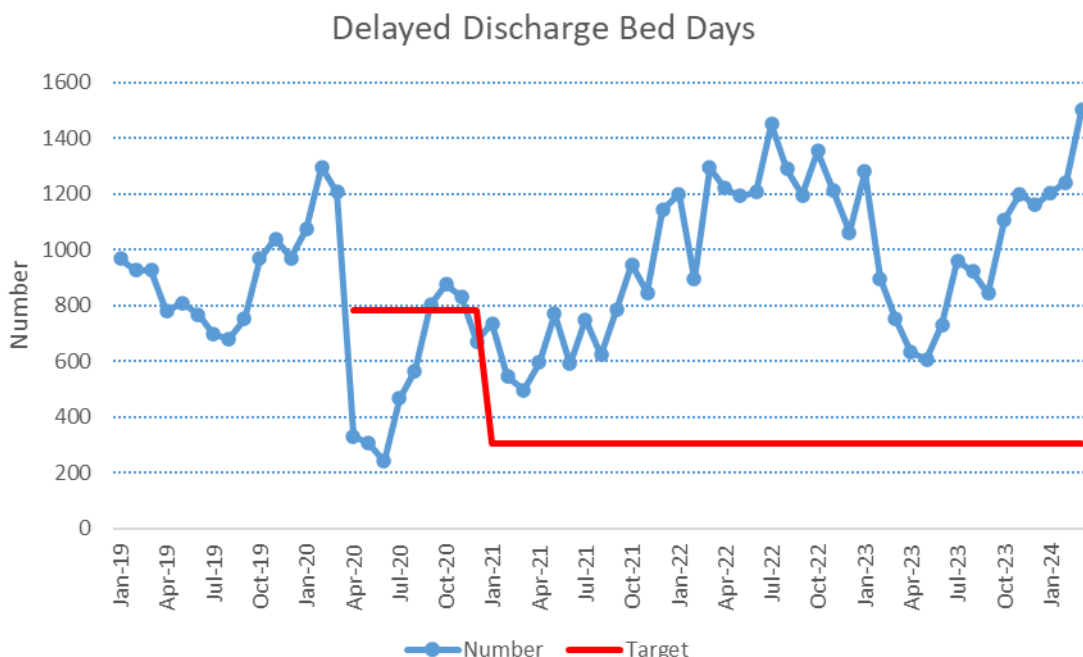
DD-02: NUMBER OF BED DAYS OCCUPIED BY DELAYED DISCHARGES PER QUARTER (INC CODE 9) PER 1000 18+ POPULATION

Purpose This monitors the number of people delayed in hospital once medically fit for discharge. Longer stays in hospital are associated with increased risk of infection, low mood, and reduced motivation.

Strategic Priority 2: HOME FIRST **Linked Indicator(s)** [DD-01](#)

National Health & Wellbeing Outcomes 2, 3, 5, 7

Figure 3 – Delayed Discharge Bed-days



Indicator Trend – Increasing

The number of bed-days lost are now 5 times the target number of days.

Source [Public Health Scotland](#)

3. EMERGENCY ADMISSIONS - AMBER

Trend Analysis

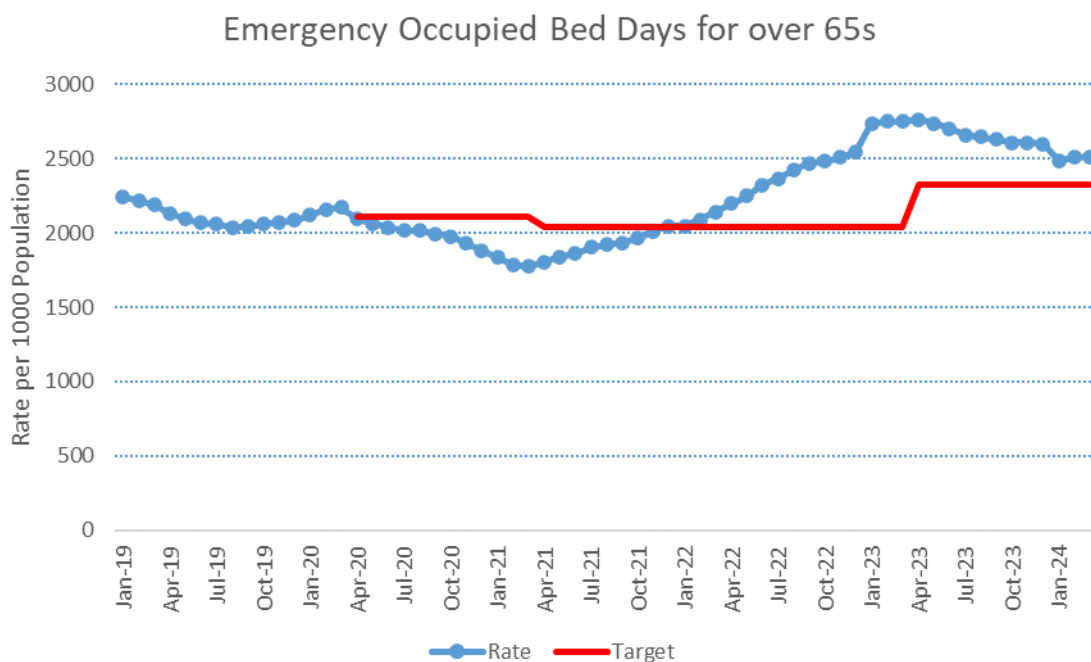
The rate of emergency occupied bed days for over 65s continues to decrease since the end of quarter 4 2022/23 the rate has decreased from **2,749** to **2,509**, however this still exceeds the target of **2,320** per 1,000 population.

The emergency admission rate per 1000 population for over 65s has increased through quarter 2 to **189.9** and then decreased two quarters in a row to **179.9** which is still just above the target of 177. Similarly, the number of people over 65 admitted to hospital in an emergency also increased to **133.2** over quarter 2 and then decreased to **125.8** in quarter 4. Both of these indicators are now **AMBER**.

EA-01: RATE OF EMERGENCY OCCUPIED BED DAYS FOR OVER 65s PER 1000 POPULATION

Purpose	EA-01, EA-02, and EA-03 are all interconnected and provide a narrative when viewed together of whether emergency admissions and bed days are within tolerance and indicate where potential risks could arise.		
Strategic Priority	1: BUILDING RESILIENCE	Linked Indicator(s)	EA-02 , EA-03
National Health & Wellbeing Outcomes	1, 2, 3, 5		

Figure 4 – Emergency Occupied Bed-days (Over 65s)



Indicator Trend – Decreasing

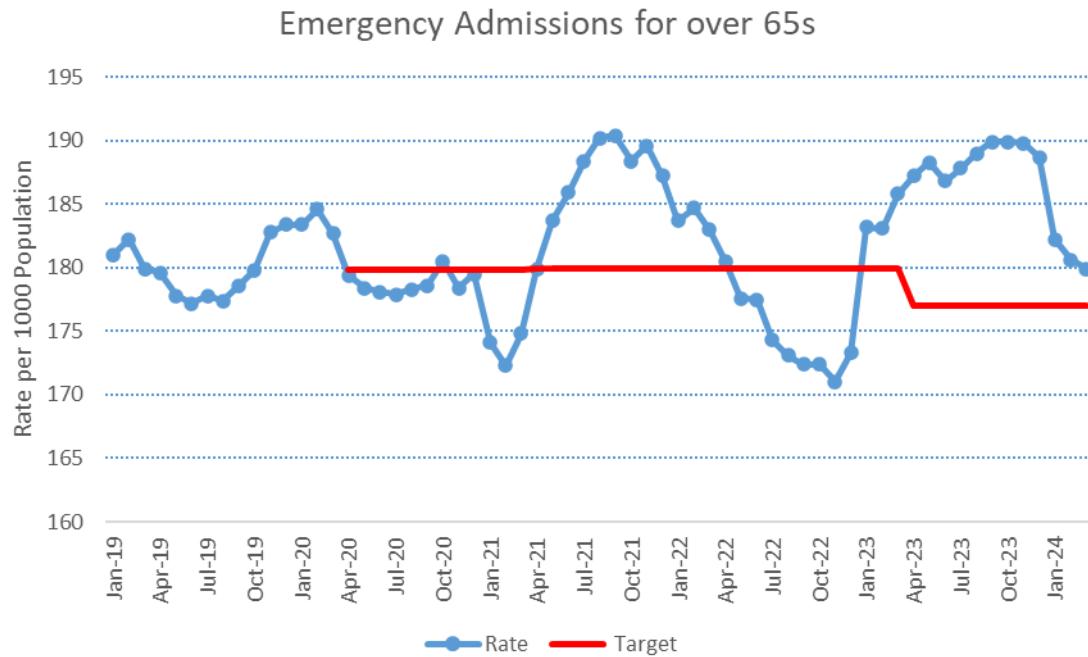
Since the start of April 2023 there has been a steady but decreasing trend.

Source	Health Intelligence
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EA-02: EMERGENCY ADMISSIONS RATE PER 1000 POPULATION FOR OVER 65s

Purpose	EA-01, EA-02, and EA-03 are all interconnected and provide a story when viewed together of whether emergency admissions and bed days are within tolerance and indicate where potential risks could arise.		
Strategic Priority	1: BUILDING RESILIENCE	Linked Indicator(s)	EA-01 , EA-03
National Health & Wellbeing Outcomes	1, 2, 3, 5		

Figure 5 – Emergency Admissions (Over 65s)



Indicator Trend – Decreasing

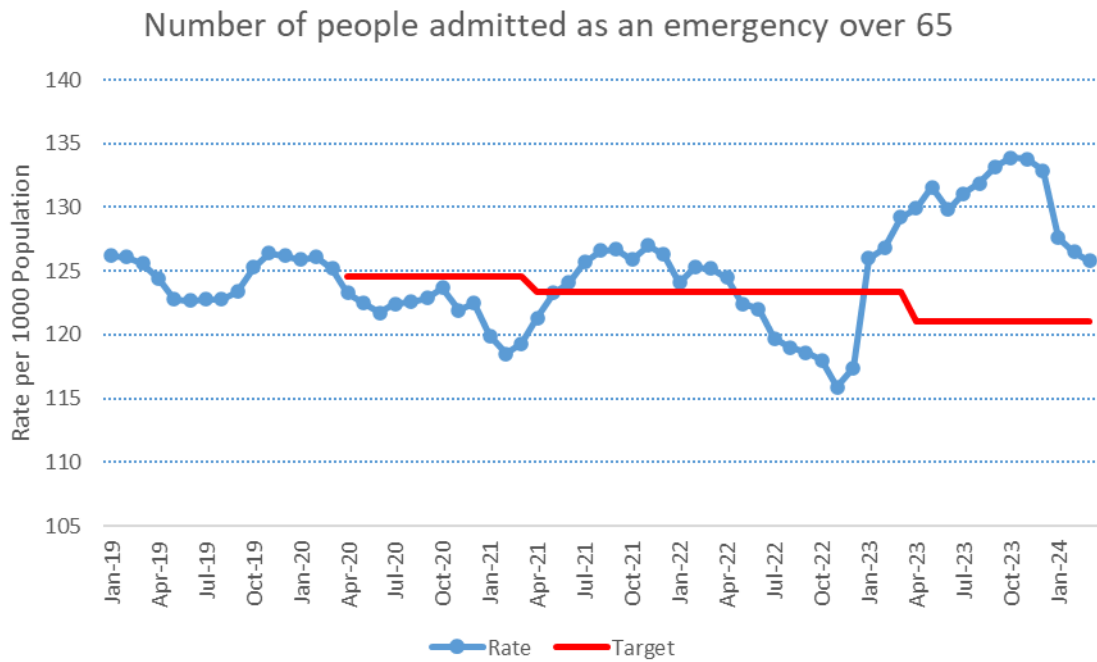
After a small decrease in this measure in December 2023 the last quarter saw a significant decrease in this measure.

Source	Health Intelligence
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EA-03: NUMBER OF PEOPLE OVER 65 YEARS ADMITTED AS AN EMERGENCY IN THE PREVIOUS 12 MONTHS PER 1000 POPULATION

Purpose	EA-01, EA-02, and EA-03 are all interconnected and provide a story when viewed together of whether emergency admissions and bed days are within tolerance and indicate where potential risks could arise.		
Strategic Priority	1: BUILDING RESILIENCE	Linked Indicator(s)	EA-01 , EA-02
National Health & Wellbeing Outcomes	1, 2, 3, 5		

Figure 6 – Number of Over 65 People Emergency Admissions



Indicator Trend – Decreasing

After a small decrease in this measure in December 2023 the last quarter saw a significant decrease in this measure.

Source	Health Intelligence
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4. EMERGENCY DEPARTMENT – AMBER

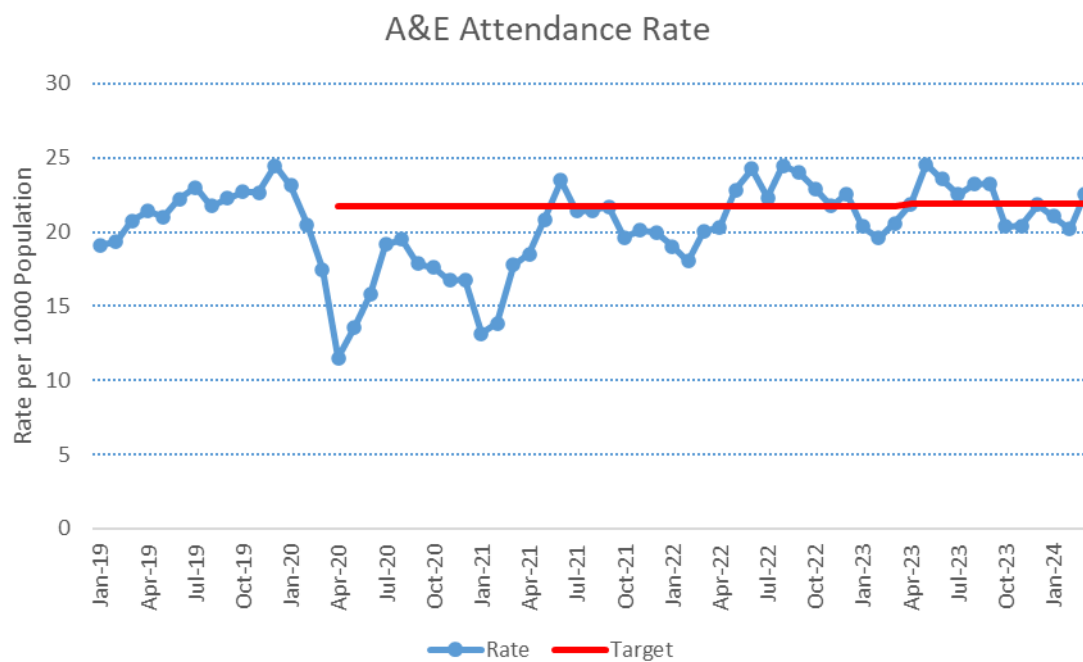
Trend Analysis

There was a decrease in the rate per 1,000 this quarter from **23.6** in quarter 1 **22.6** in quarter 4. This is above the number presenting at the same period last year but it is worth noting that the month on month figure is trending below the target and March 2024 is an outlier in that it went above the target whereas last year the low figure was an outlier in that it was a significant dip in previous months' figures.

AE-01: ED ATTENDANCE RATES PER 1,000 POPULATION (ALL AGES)

Purpose	A greater system-wide understanding of how people access emergency care, and why certain choices are made, will allow local health systems to develop intelligence about avoidable attendances at emergency departments and target their responses.		
Strategic Priority	3: PARTNERS IN CARE	Linked Indicator(s)	HR-01 , HR-02
National Health & Wellbeing Outcomes	1, 2, 3, 5		

Figure 7 – ED Attendance Rate



Indicator Trend – Stable

During quarter 4 the attendance rate per 1,000 population has remained stable, sitting just above the target level.

Source	Health Intelligence
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5. HOSPITAL RE-ADMISSIONS - AMBER

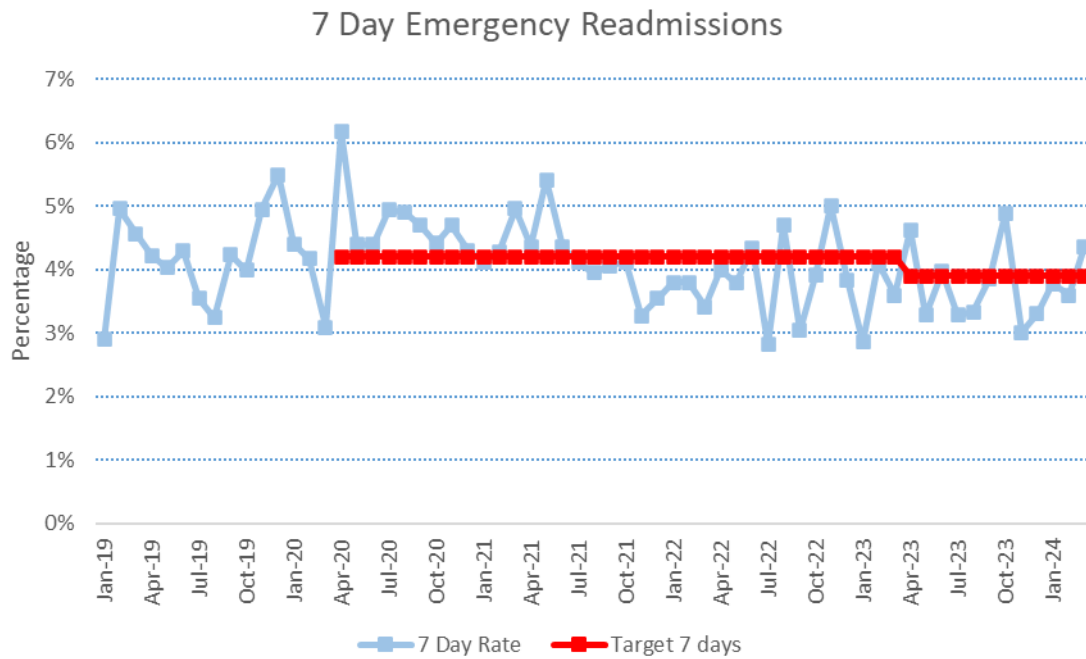
Trend Analysis

The 7-day re-admissions have increased to just above target to **4.4%**, and while the 28-day re-admissions which have increased they remain below target at **8.3%**.

HR-01: PERCENTAGE OF EMERGENCY RE-ADMISSIONS TO HOSPITAL WITHIN 28 DAYS - MORAY PATIENTS

Purpose	Re-admissions are often undesirable for patients and have also been shown to be associated with the quality of care provided to patients at several stages along the clinical pathway, including during initial hospital stays, transitional care services and post-discharge support. (This measure lags by a month due to the time required for a potential 28 day discharge to occur)		
Strategic Priority	1: BUILDING RESILIENCE	Linked Indicator(s)	HR-02 , AE-01
National Health & Wellbeing Outcome	1, 2, 3, 5		

Figure 8 – 28-day Emergency Readmissions



Indicator Trend – Stable

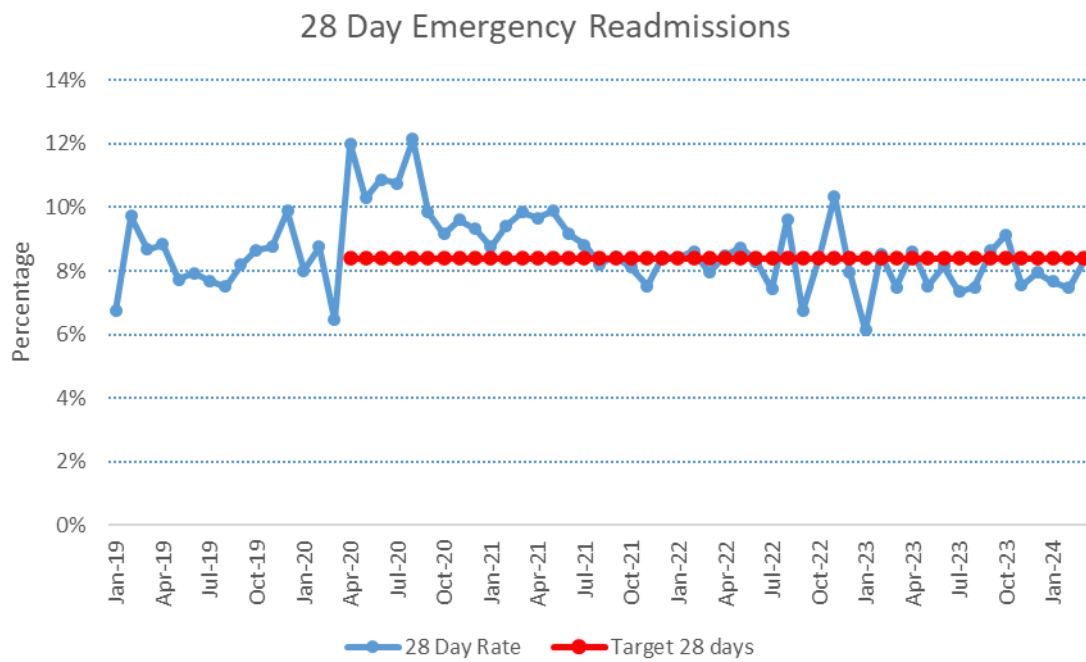
7-day Hospital Re-admissions have generally remained below the target of 3.9% for the last three quarters, only having the odd month above target.

Source	Health Intelligence
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HR-02: PERCENTAGE OF EMERGENCY RE-ADMISSIONS TO HOSPITAL WITHIN 7 DAYS - MORAY PATIENTS

Purpose	Re-admissions are often undesirable for patients and have also been shown to be associated with the quality of care provided to patients at several stages along the clinical pathway, including during initial hospital stays, transitional care services and post-discharge support.		
Strategic Priority	1: BUILDING RESILIENCE	Linked Indicator(s)	HR-01 , AE-01
National Health & Wellbeing Outcome	1, 2, 3, 5		

Figure 9 – 7-day Emergency Readmissions



Indicator Trend – Stable

28-day Hospital Re-admissions have remained below the target of 8.4% for this quarter.

Source	Health Intelligence
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6. MENTAL HEALTH – RED

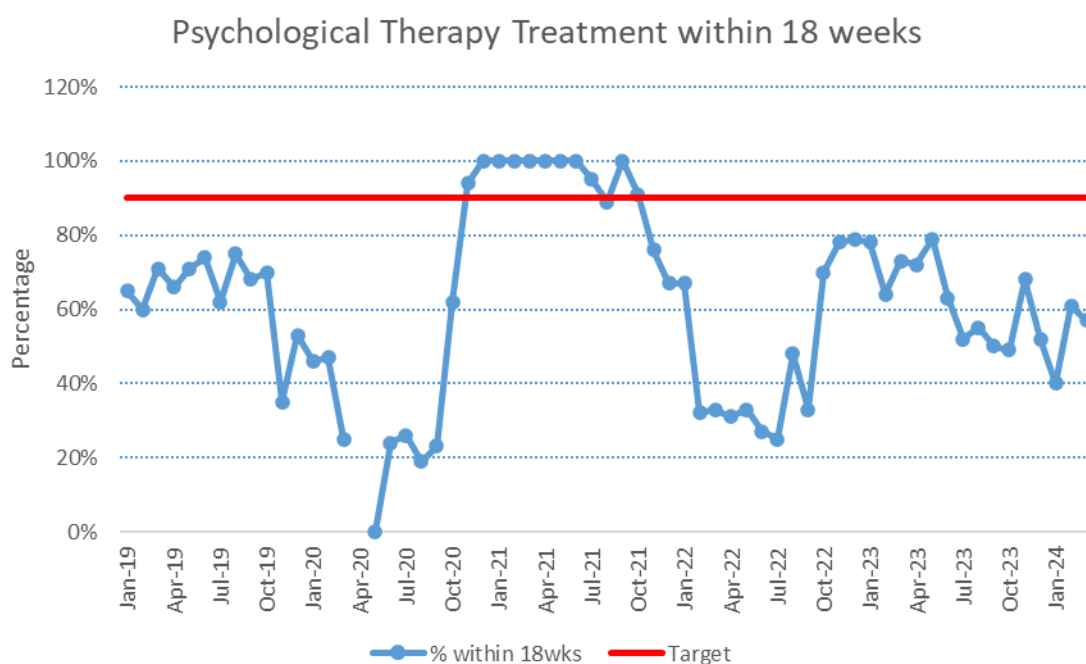
Trend Analysis

After achieving a low **50%** in September 2023 there has been little variation in performance for the third and fourth quarters now **57%** of patients being referred within 18 weeks at the end of quarter 4 2023/24.

MH-01: PERCENTAGE OF PATIENTS COMMENCING PSYCHOLOGICAL THERAPY TREATMENT WITHIN 18 WEEKS OF REFERRAL

Purpose	Timely access to healthcare is a key measure of quality and that applies equally in respect of access to mental health services.		
Strategic Priority	3: PARTNERS IN CARE	Linked Indicator(s)	
National Health & Wellbeing Outcome	1, 2, 3, 5		

Figure 10 – Psychological Therapy Treatment within 18 Weeks



Indicator Trend – Stable but low

The short term monthly trend tends towards 54% in this measure in the last three quarters.

Source	Health Intelligence
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7. STAFF MANAGEMENT - RED

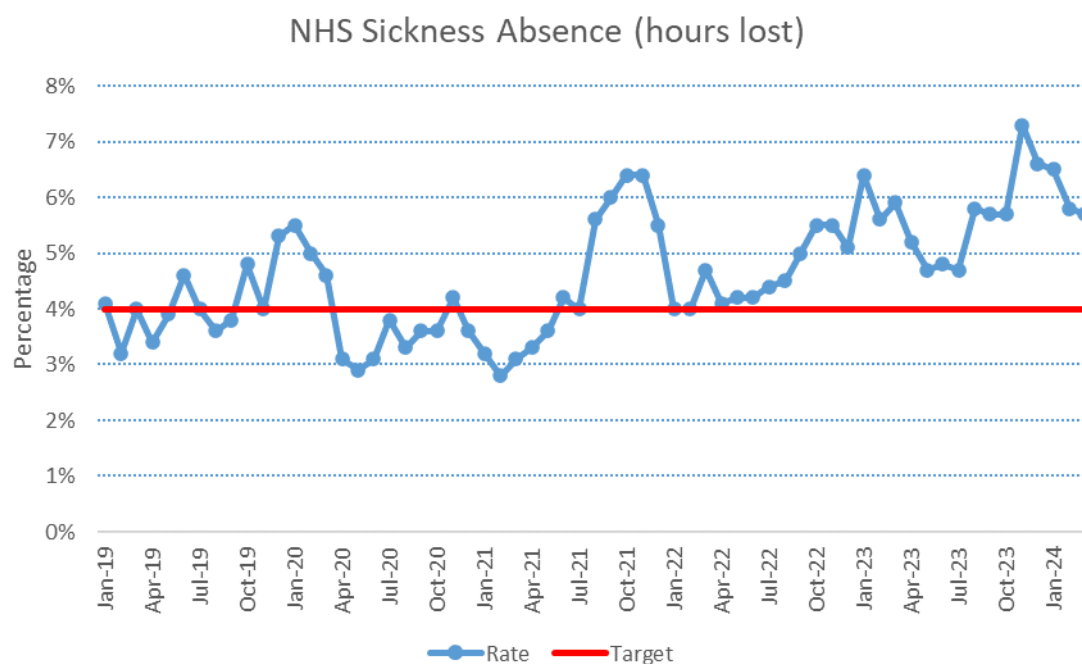
Trend Analysis

Sickness absence for NHS employed staff has decreased to **5.7%** during quarter 4 from a high of **7.3%** at the end of November 2023. Council employed staff sickness has stayed at **9.6%** for the second quarter in a row which is lower than the figure of **9.7%** for the same period last year.

SM-01: NHS SICKNESS ABSENCE % OF HOURS LOST

Purpose	Attendance at work of all employees is essential in the interests of the effective and efficient operation of services.		
Strategic Priority	1: BUILDING RESILIENCE	Linked Indicator(s)	SM-02
National Health & Wellbeing Outcome	8		

Figure 11 – NHS Sickness Absence



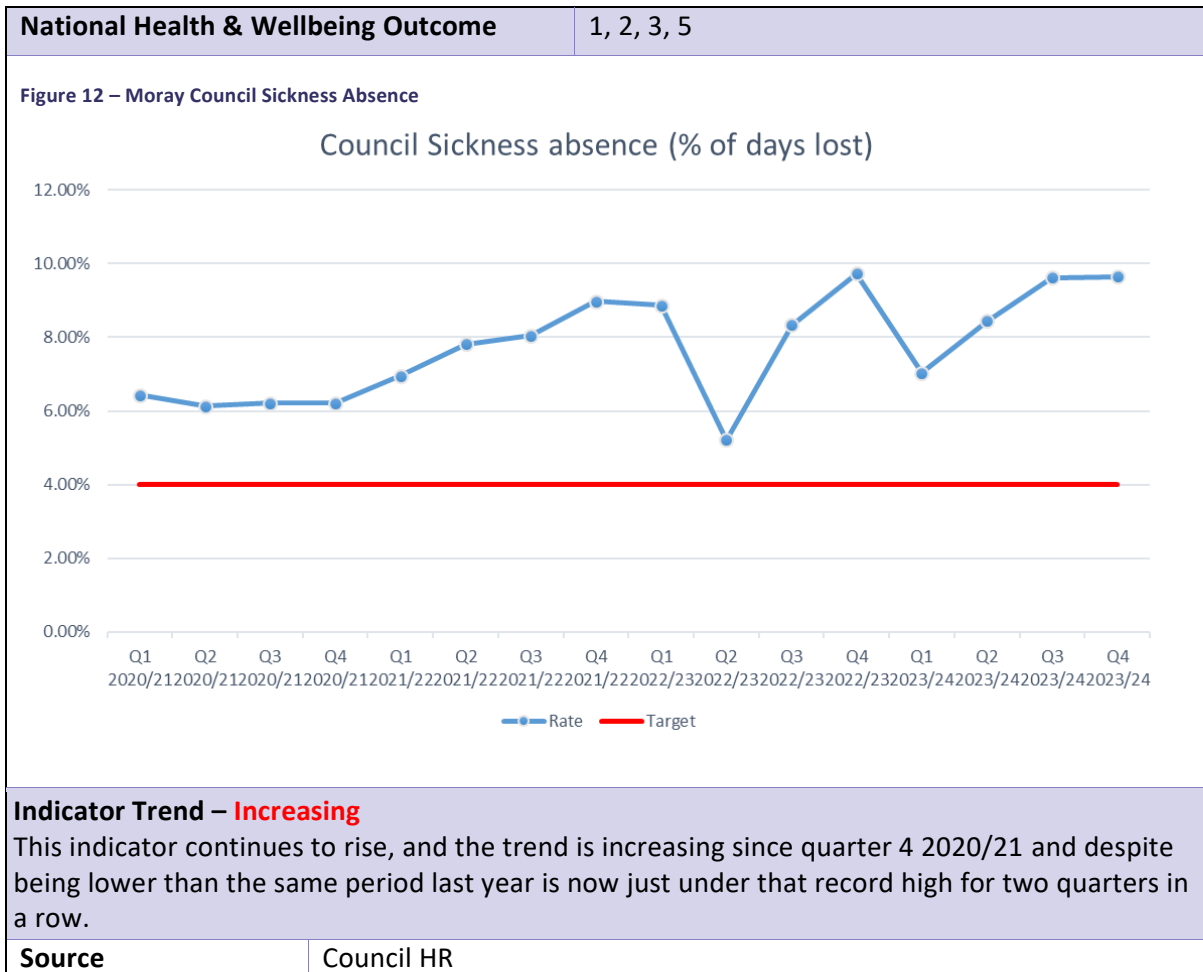
Indicator Trend – Decreasing

This indicator as been decreasing in the last 3 months of the year.

Source Health Intelligence

SM-02: COUNCIL SICKNESS ABSENCE (% OF CALENDAR DAYS LOST)

Purpose	Attendance at work of all employees is essential in the interests of the effective and efficient operation of services.		
Strategic Priority	1: BUILDING RESILIENCE	Linked Indicator(s)	SM-01



APPENDIX 1: KEY AND DATA DEFINITIONS

RAG SCORING CRITERIA

GREEN	If Moray is performing better than target.
AMBER	If Moray is performing worse than target but within specified tolerance.
RED	If Moray is performing worse than target but outside of specified tolerance.

PEER GROUP DEFINITION

Moray is defined as being in Peer Group 2 in the Local Government Benchmarking Framework

Family Group 1	Family Group 2	Family Group 3	Family Group 4
East Renfrewshire	Moray	Falkirk	Eilean Siar
East Dunbartonshire	Stirling	Dumfries & Galloway	Dundee City
Aberdeenshire	East Lothian	Fife	East Ayrshire
Edinburgh, City of	Angus	South Ayrshire	North Ayrshire
Perth & Kinross	Scottish Borders	West Lothian	North Lanarkshire
Aberdeen City	Highland	South Lanarkshire	Inverclyde
Shetland Islands	Argyll & Bute	Renfrewshire	West Dunbartonshire
Orkney Islands	Midlothian	Clackmannanshire	Glasgow City

APPENDIX 2: STRATEGIC PRIORITIES

1. THE HEALTH AND SOCIAL CARE STRATEGY AT A GLANCE

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-centred; 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

THEME 1: BUILDING RESILIENCE - Taking greater responsibility for our health and wellbeing

THEME 2: HOME FIRST - Being supported at home or in a homely setting as far as possible

THEME 3: PARTNERS IN CARE - Making choices and taking control over decisions affecting our care and support

TRANSFORMATION (DELIVERY) PLAN supported by enablers:



BUILDING RESILIENCE

- **EA-01:** RATE OF EMERGENCY OCCUPIED BED DAYS FOR OVER 65S PER 1000 POPULATION
- **EA-02:** EMERGENCY ADMISSIONS RATE PER 1000 POPULATION FOR OVER 65S
- **EA-03:** NUMBER OF PEOPLE OVER 65 YEARS ADMITTED AS AN EMERGENCY IN THE PREVIOUS 12 MONTHS PER 1000 POPULATION
- **HR-01:** PERCENTAGE OF EMERGENCY RE-ADMISSIONS TO HOSPITAL WITHIN 28 DAYS - MORAY PATIENTS
- **HR-02:** PERCENTAGE OF EMERGENCY RE-ADMISSIONS TO HOSPITAL WITHIN 7 DAYS - MORAY PATIENTS
- **SM-01:** NHS SICKNESS ABSENCE % OF HOURS LOST
- **SM-02:** COUNCIL SICKNESS ABSENCE (% OF CALENDAR DAYS LOST)

HOME FIRST

- **DD-01:** NUMBER OF DELAYED DISCHARGES (INCLUDING CODE 9, CENSUS SNAPSHOT, AT END OF QUARTER)
- **DD-02:** NUMBER OF BED DAYS OCCUPIED BY DELAYED DISCHARGES PER QUARTER (INC CODE 9) PER 1000 18+ POPULATION
- **UN-01:** NUMBER OF LONG-TERM HOME CARE HOURS UNMET AT WEEKLY SNAPSHOT
- **UN-02:** NUMBER OF PEOPLE WITH LONG-TERM CARE HOURS UNMET AT WEEKLY SNAPSHOT

PARTNERS IN CARE

- **OA-01:** NUMBER OF REVIEWS OUTSTANDING AT END OF QUARTER SNAPSHOT
- **MH-01:** PERCENTAGE OF PATIENTS COMMENCING PSYCHOLOGICAL THERAPY TREATMENT WITHIN 18 WEEKS OF REFERRAL
- **AE-01:** A&E ATTENDANCE RATES PER 1000 POPULATION (ALL AGES)

APPENDIX 3: NATIONAL HEALTH AND WELLBEING OUTCOMES

1 - PEOPLE ARE ABLE TO LOOK AFTER AND IMPROVE THEIR OWN HEALTH AND WELLBEING AND LIVE IN GOOD HEALTH FOR LONGER.

2 - PEOPLE, INCLUDING THOSE WITH DISABILITIES OR LONG-TERM CONDITIONS, OR WHO ARE FRAIL; ARE ABLE TO LIVE, AS FAR AS REASONABLY PRACTICABLE, INDEPENDENTLY AT HOME, OR IN A HOMELY SETTING IN THEIR COMMUNITY.

3 - PEOPLE WHO USE HEALTH AND SOCIAL CARE SERVICES HAVE POSITIVE EXPERIENCES OF THOSE SERVICES, AND HAVE THEIR DIGNITY RESPECTED.

4 - HEALTH AND SOCIAL CARE SERVICES ARE CENTRED ON HELPING TO MAINTAIN OR IMPROVE THE QUALITY OF LIFE OF PEOPLE WHO USE THOSE SERVICES.

5 - HEALTH AND SOCIAL CARE SERVICES CONTRIBUTE TO REDUCING HEALTH INEQUALITIES.

6 - PEOPLE WHO PROVIDE UNPAID CARE ARE SUPPORTED TO LOOK AFTER THEIR OWN HEALTH AND WELLBEING, INCLUDING TO REDUCE ANY NEGATIVE IMPACT OF THEIR CARING ROLE ON THEIR OWN HEALTH AND WELLBEING.

7 - PEOPLE USING HEALTH AND SOCIAL CARE SERVICES ARE SAFE FROM HARM.

8 - PEOPLE WHO WORK IN HEALTH AND SOCIAL CARE SERVICES FEEL ENGAGED WITH THE WORK THEY DO AND ARE SUPPORTED TO CONTINUOUSLY IMPROVE THE INFORMATION, SUPPORT, CARE, AND TREATMENT THEY PROVIDE.

9 - RESOURCES ARE USED EFFECTIVELY AND EFFICIENTLY IN THE PROVISION OF HEALTH AND SOCIAL CARE SERVICES.

2023/24 QUARTER 4

PERFORMANCE REPORT - CHILDREN & FAMILIES SOCIAL WORK & JUSTICE SERVICE.

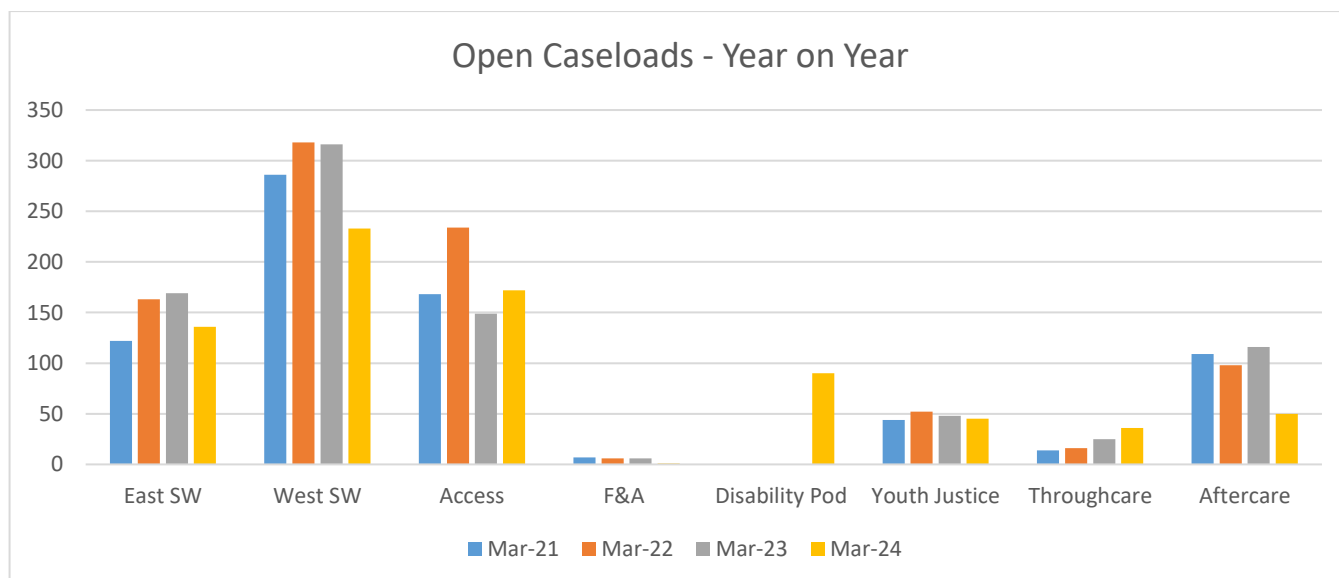
Narrative included is by exception, links to backing tables for all Children & Families Social Work & Justice Service.

This report is based upon indicators previously recorded against Strategic and Service Level Service Plan Actions and Operational Indicators in 2022/23. Thus, forming the development of a performance dashboard to report to the IJB .

****Please note that no comment has been made with regards to Local Government Benchmarking Framework indicators, as the 2022/23 update of these indicators will not be available until May 2024.****

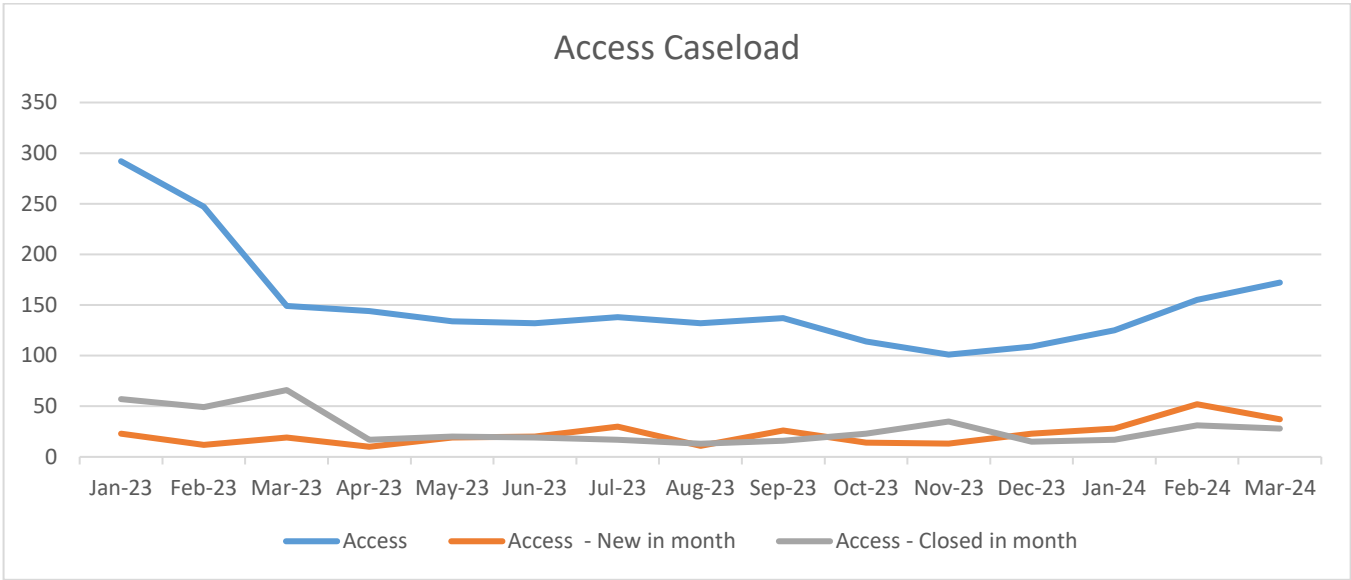
Social Work Team Caseloads

The table below reflects the number of cases being referred and subsequently opened to children and families Social Work. The teams have worked hard to re-establish thresholds for Social Work intervention following COVID.



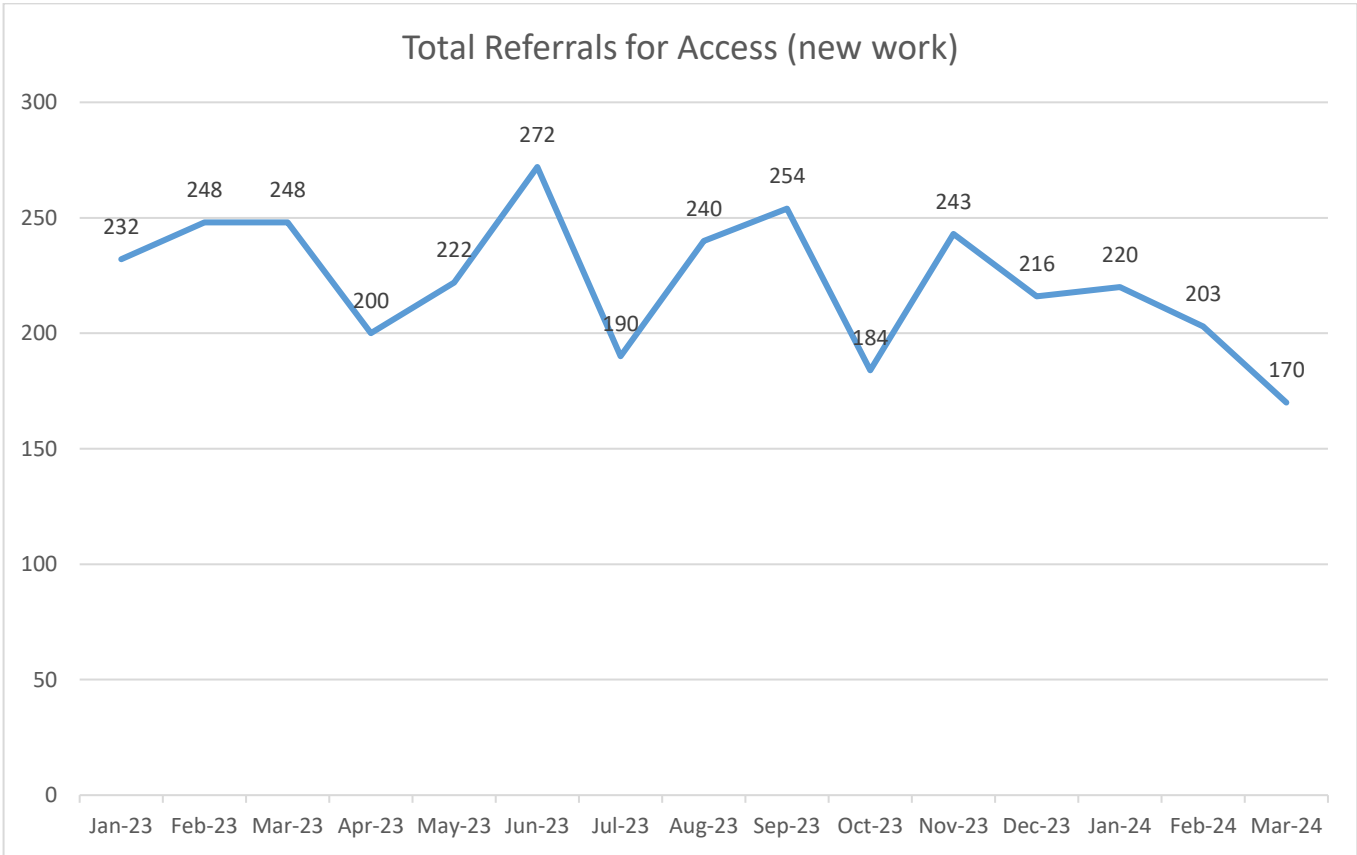
Access

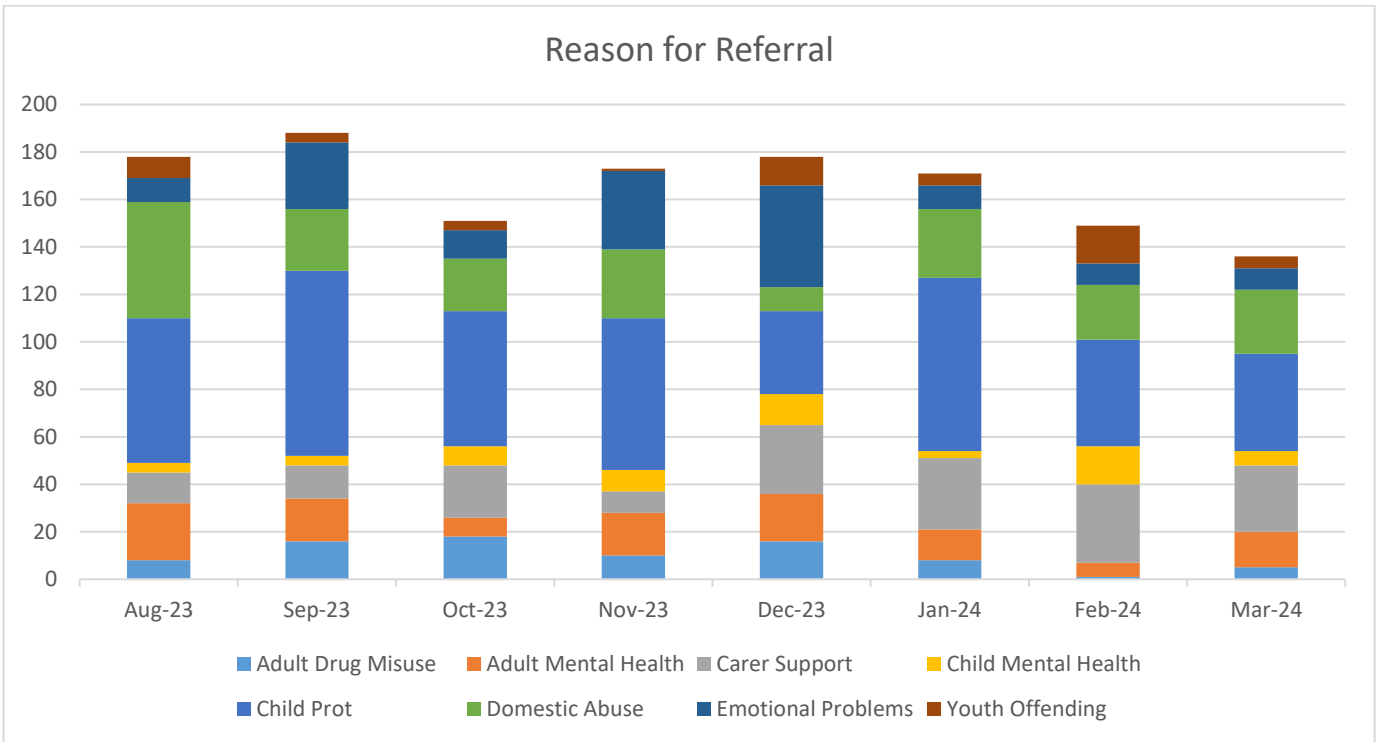
Our Access team is the first point of contact for both professionals and members of the public to raise concerns/request advice and support.



The graph above compares the Access Team’s open cases with the new cases and closed cases each month throughout from Jan 23 to Mar 24.

The number of new referrals fluctuates throughout the year as indicated above.

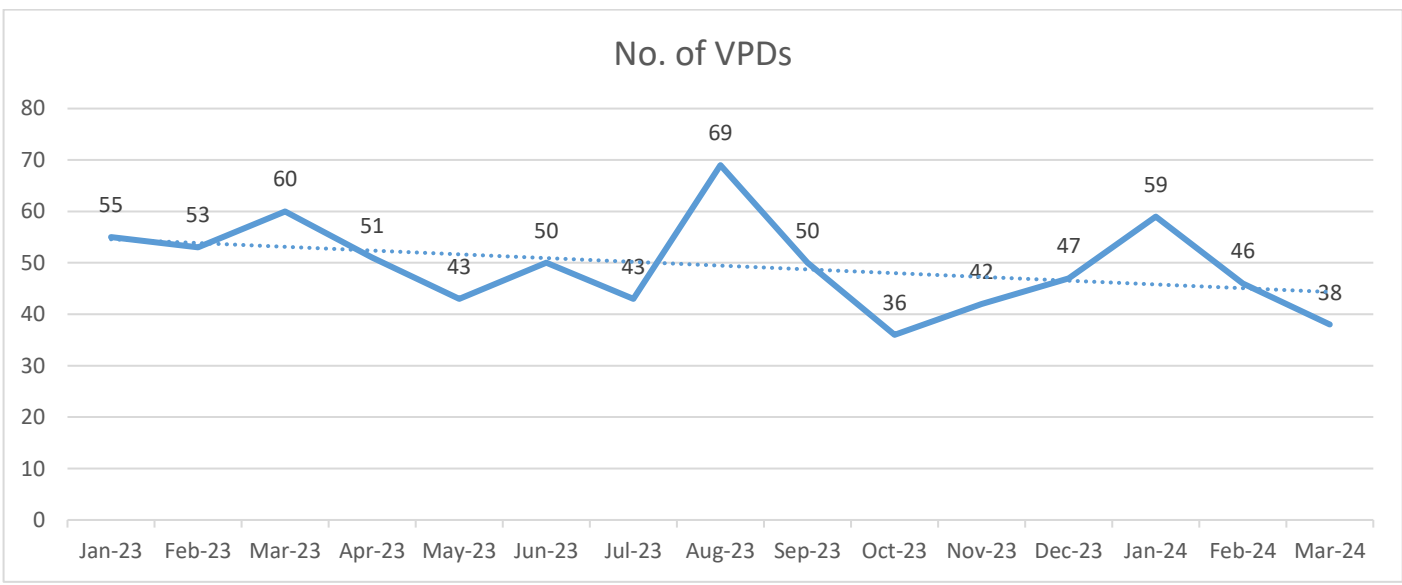




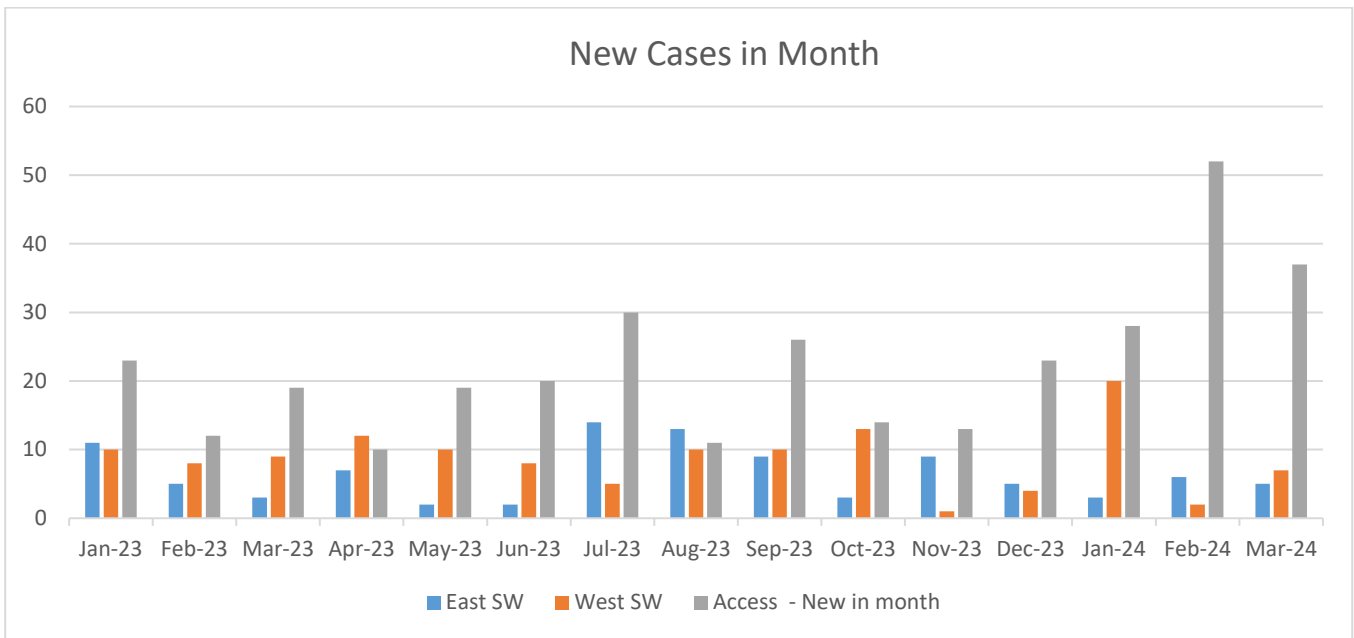
The chart below shows some referral reasons from Aug 23 to Mar 24.

Police Concern Referrals

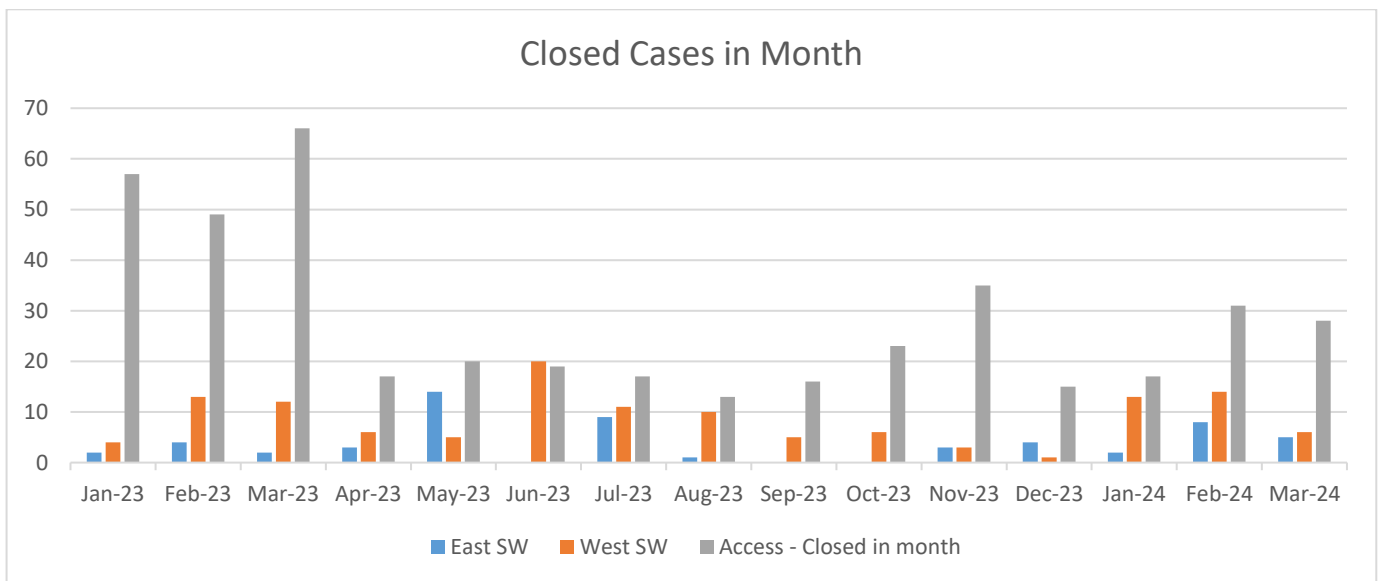
Referrals directly from the Police are recorded on a Vulnerable Person Database (VPD) following attendance at an incident when they wish to raise a concern about children at risk of harm. A VPD records a unique reference number for each incident which may relate to more than one child.



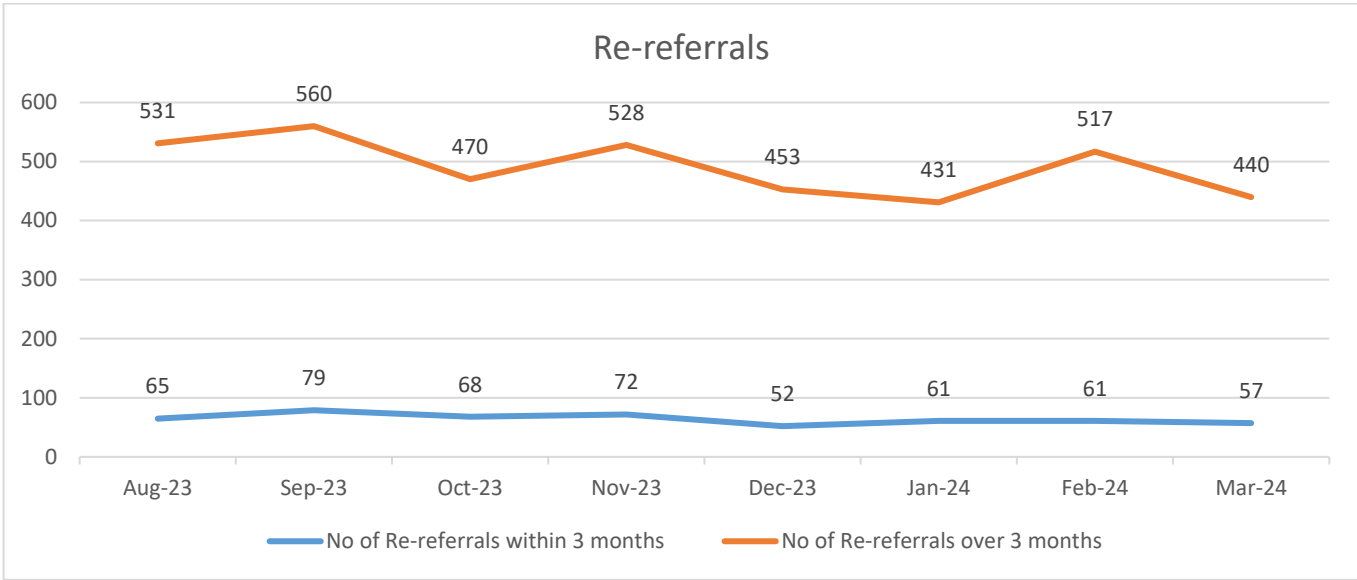
The Access Team consistently open significantly more new cases than both Area Team West and Area Team East due to their role in being the first point of contact.



As discussed earlier in this report, the Access Team have continued to review and reinforce the case management process. There has been a stronger focus on reviewing assessments, planning and interventions together with ensuring closure summaries are completed in order to provide a more robust process for closing cases.



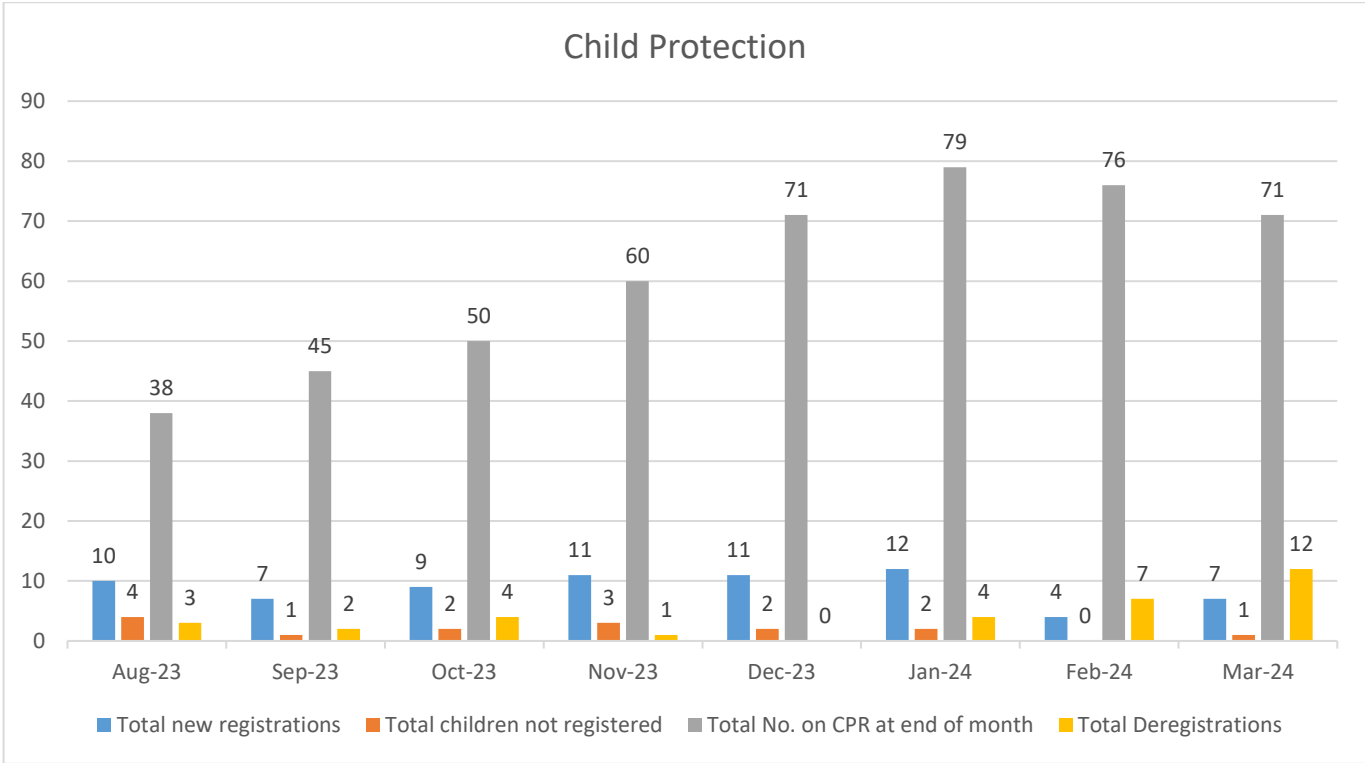
The number of re-referrals briefly rose in the middle of Q4, but has settled back to a point just above where it was at the end of Q3.



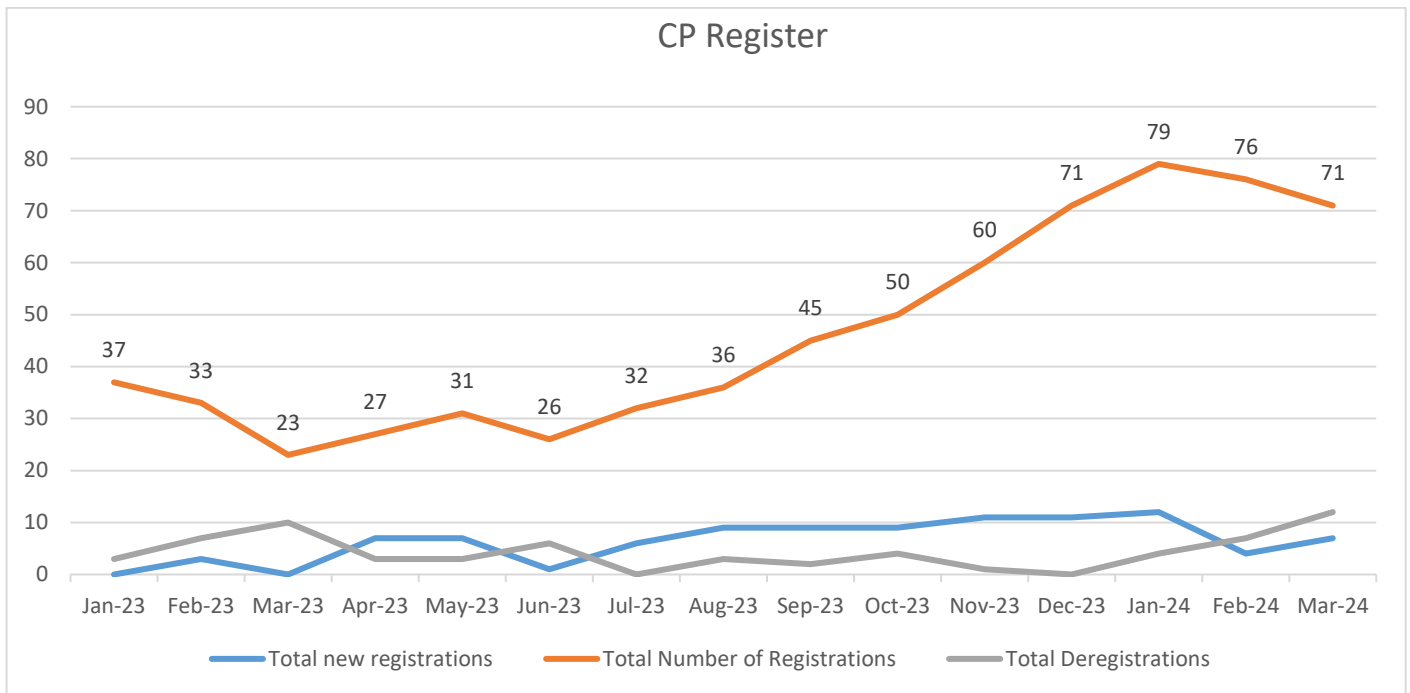
This may evidence our commitment to maintaining The Promise by providing our children and families with the right support at the right time. However, this remains an early stage in the process and will be subject to further analysis as we explore our data in the context of delivering The Promise.

Child Protection

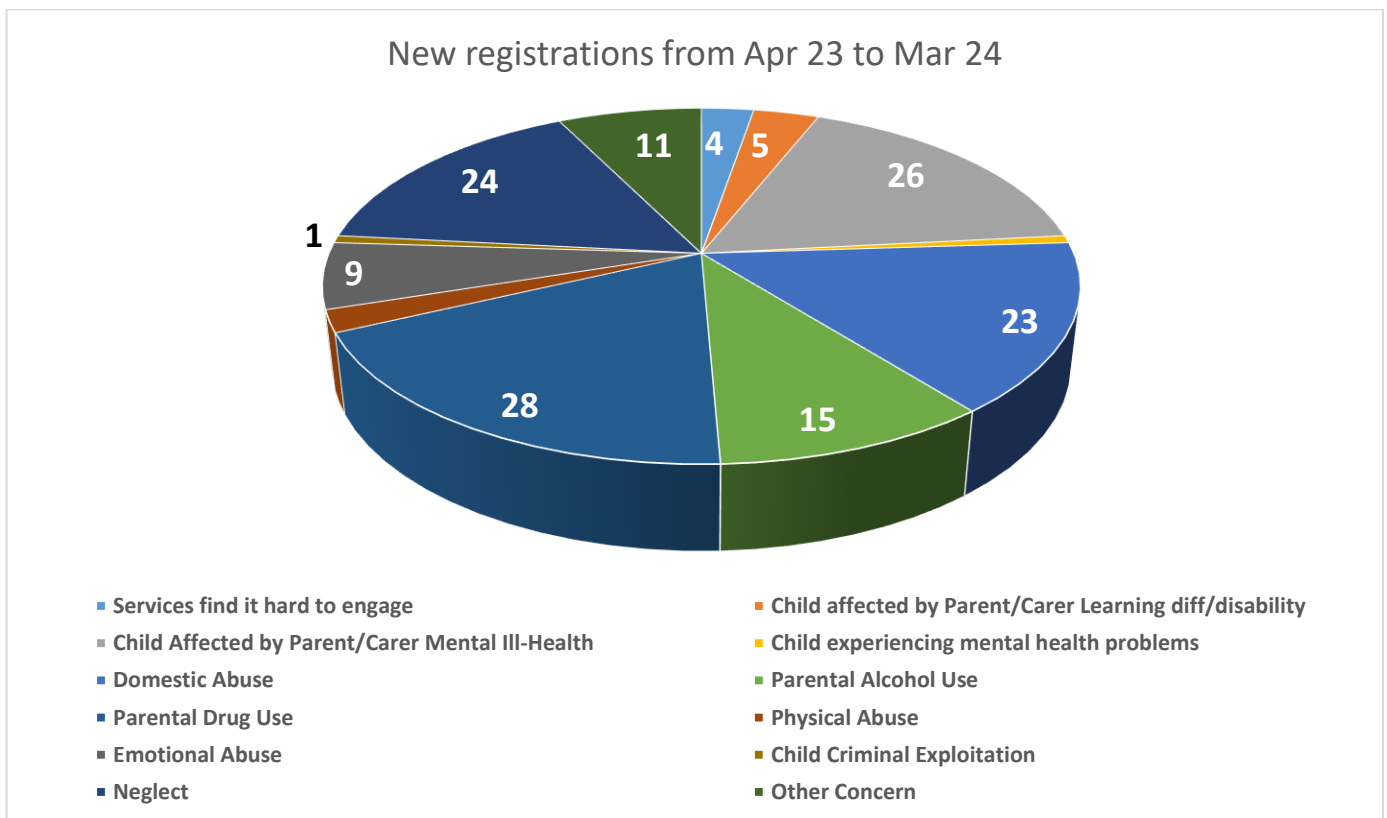
At the end of this Quarter, 71 children were registered on the North East Child Protection Register (CPR) at a rate of 3.9 per 1,000 of 0-17 population. There has been a steady increase in registrations across the year with an average of 9 new registrations per month.



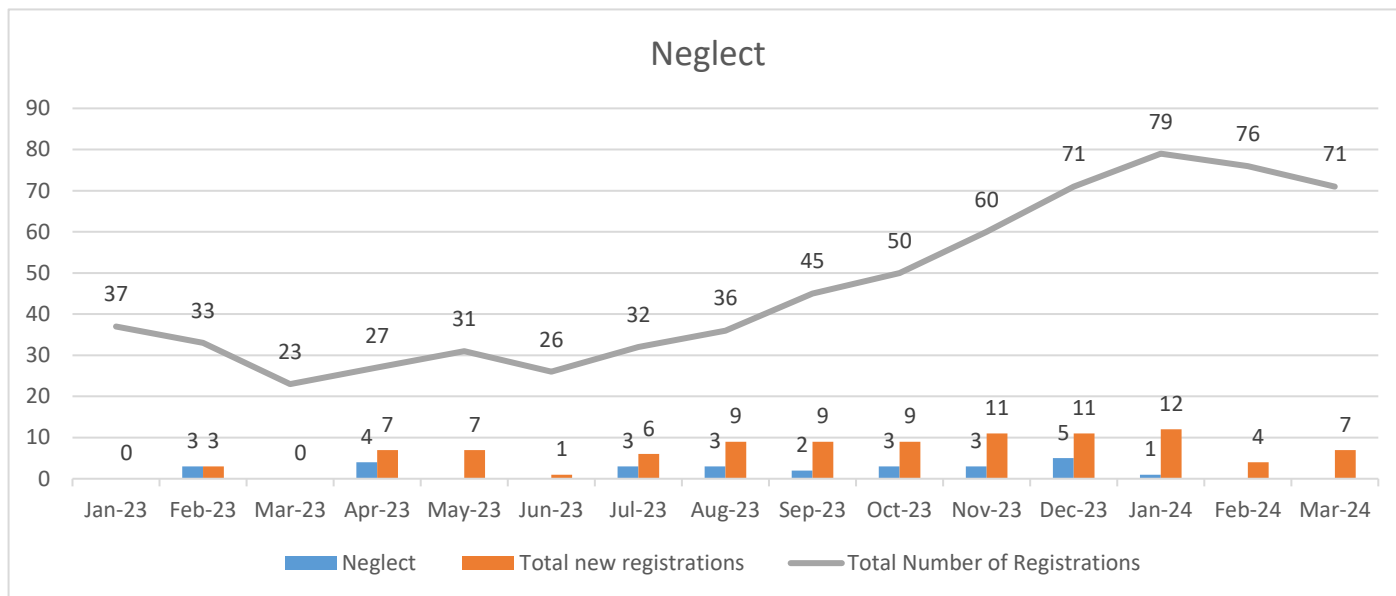
Child Protection registrations are agreed at a multi-agency child protection planning meeting that requires a quorate attendance to agree if a child should be registered and which category to register under. This multi-agency approach to child protection ensures that a decision is made from a holistic perspective.



The rising number of Child Protection registrations peaked in Jan 24 and has since decreased. Consideration for the reasons for this have been escalated and the multi-agency partnership is carrying out further investigation and analysis.



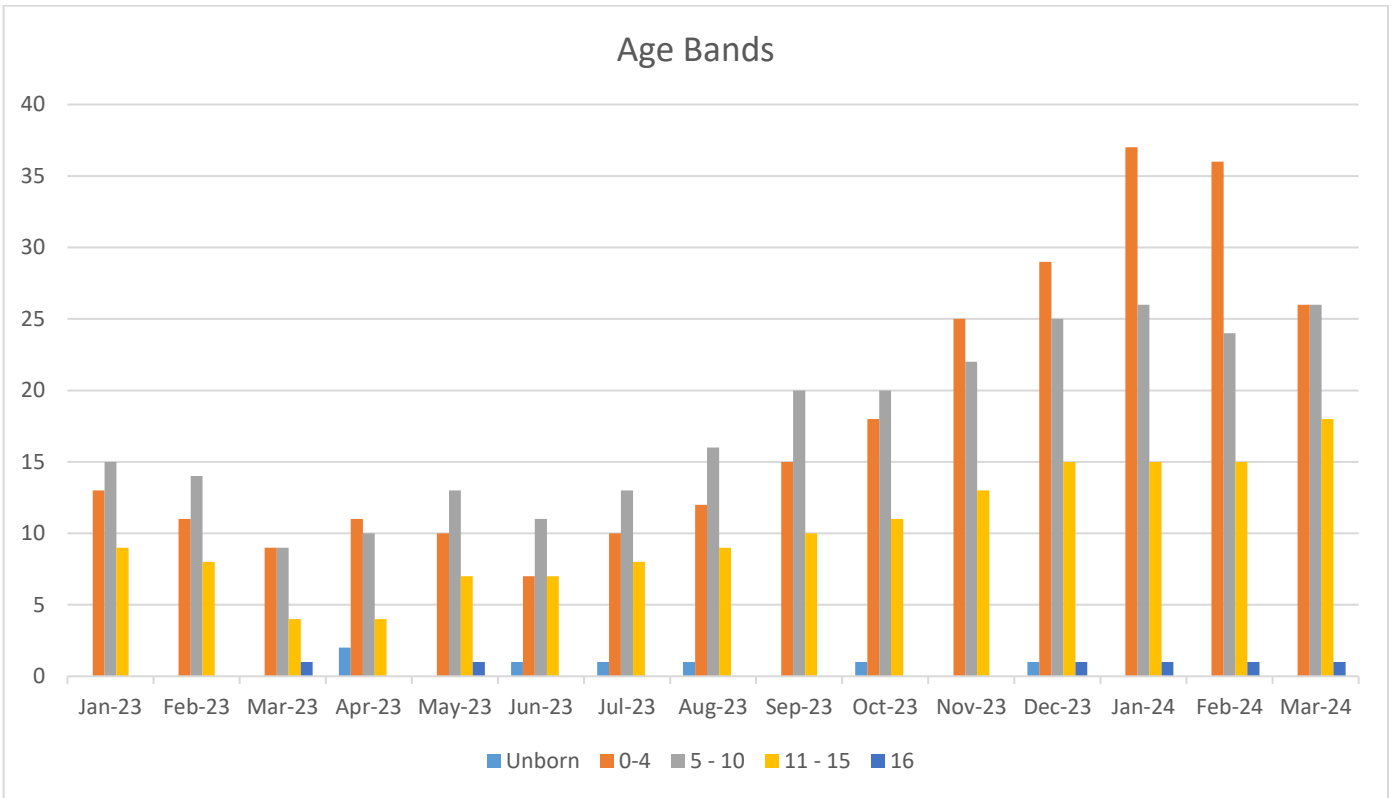
At the end of Quarter 4 almost a fifth of children (16/71, 22.5%) were on the Moray CPR due to neglect concerns. Children on the CPR due to neglect concerns have risen during 2023/24 with the most noticeable rise during Quarters 3 & 4, peaking at 23 cases. At the end of March 2023, 5 children were registered for neglect concerns. By the end of Quarter 4 this had increased to 16, (some were family groups). We have a very small number per head of population in relation to registration. As previously mentioned, the increase has been recognised and referred to the multi-agency partnership for further exploration and analysis.



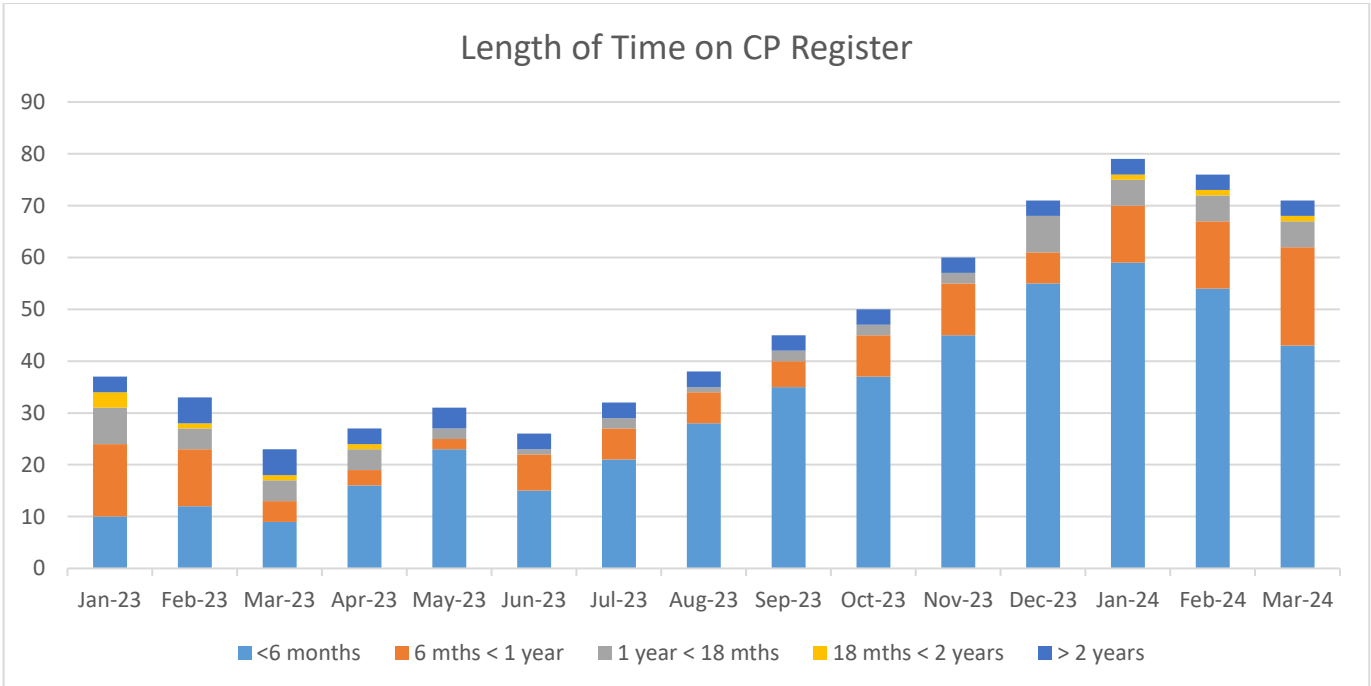
Neglect within a family setting is an area that we are keen to track. Currently, there is a lot of multi-agency activity within this area.

Multi-agency (Social Work, Health, Police, Education and Early Years) training has been provided to professionals for the Graded Care Profile. This is a tool used to identify complex forms of neglect and for quantifying neglect. This will support professionals to be able to measure the quality of care provided. Therefore, contributing to identification of neglect within families resulting in the category of neglect being used in CP registrations.

Furthermore, a nationwide NSPCC campaign may have elevated public knowledge and awareness of neglect, potentially leading to more referrals.



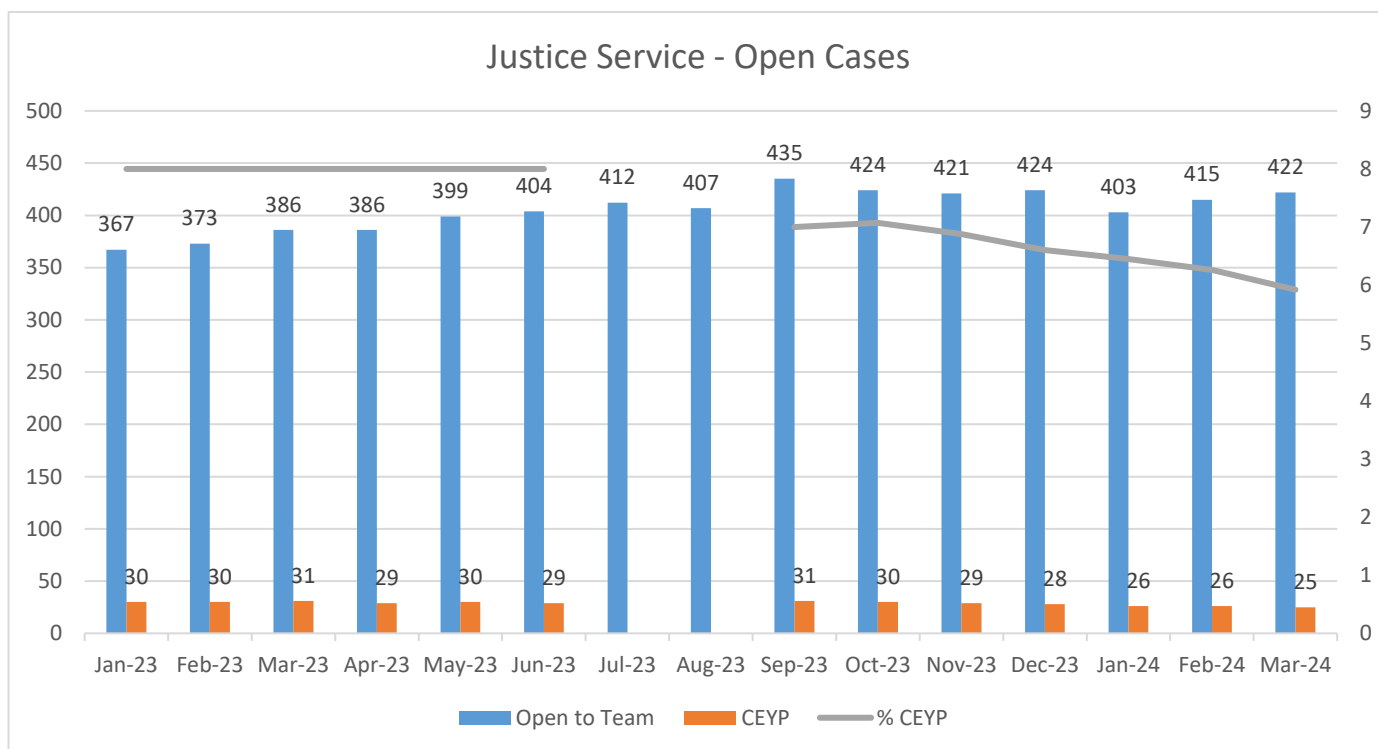
From this chart we can see that there has been a steady increase in registrations for children aged 0-4 although this has dipped in the final month of Quarter 4. We are also registering more young people over 16. The 5-10 category has also shown increase but not to the degree of the 0-4 age band. We are curious about this rise and are currently reviewing this along with the team who chair Child Protection Planning meetings to explore this trend.



As at the end of Quarter 4, the proportion of children on the CPR for periods exceeding 12 months is 12.7%, Children who are on the CPR for a period of longer than 18 months are all reviewed to ensure that this remains the right plan for them.

The Quality Assurance Team continue to monitor and together with Service Managers, they review progress of plans and any challenges that are preventing sustained improvements.

Justice Services



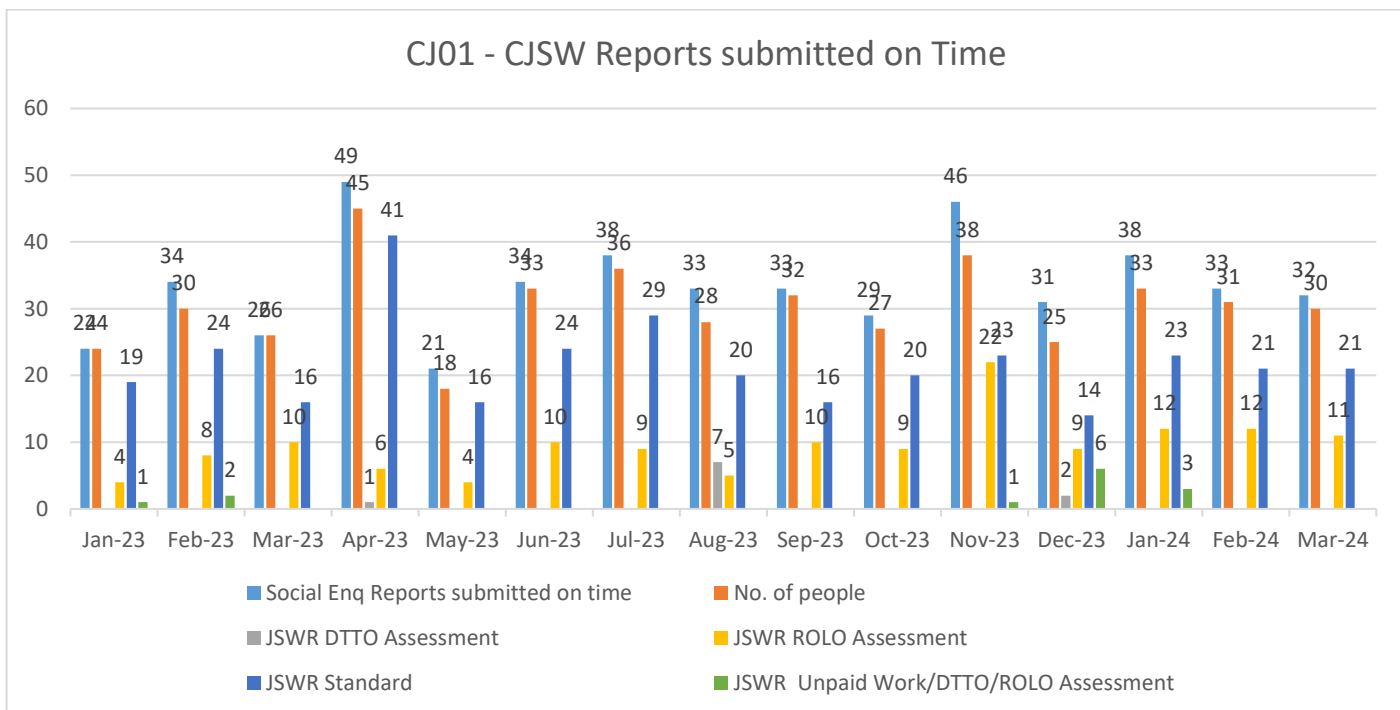
Note, there was an error in recording CEYP numbers from July to August 2023

At the end of quarter 4, this graph indicates the number of cases open to justice services (422) of whom 25 are care experienced young people CEYP (5.9% of open cases are CEYP). The number of care experienced young people has shown a gradual decline although rising caseloads in general affect the percentage.

The number of CEYP in both Justice Service and Youth Justice has been on a reducing trend from 13% at the end of March 2021.

At the end of Quarter 4, 39 of 467 (8.5%) were care experienced children within the justice systems (Youth Justice = 14, Justice Social Work = 25) showing a drop from 9.5% at end of Quarter 3. This has consistently remained below 12% throughout 2023/24 and continued to decrease.

Work continues to identify and support care experienced young people within the services, in order to offer early interventions where possible and reduce the risk of re-offending.



The Justice Social Work service continues to submit all reports to Courts by their due date. This includes requests from our local Court and nationally.

Community Payback Orders (with a supervision requirement should be seen by a supervising officer within one week). At the end of Quarter 4, 100% of individuals were seen within one week of the order being imposed to sign their Court Order during the quarter. The monthly target has improved over the year.

Court social workers attend the local Court to have contact post sentence with a follow up appointment is arranged with the supervising social worker. Three individuals were in custody which prevented contact being made in person. On other occasions Court paperwork was not available within the timescales and there were missed appointments due to a variety of reasons including paid employment and illness.

Bail Supervision

During Quarter 4 there have been 34 bail supervision assessments completed with a total of 7 bail supervisions being imposed for 1 female and 6 males.

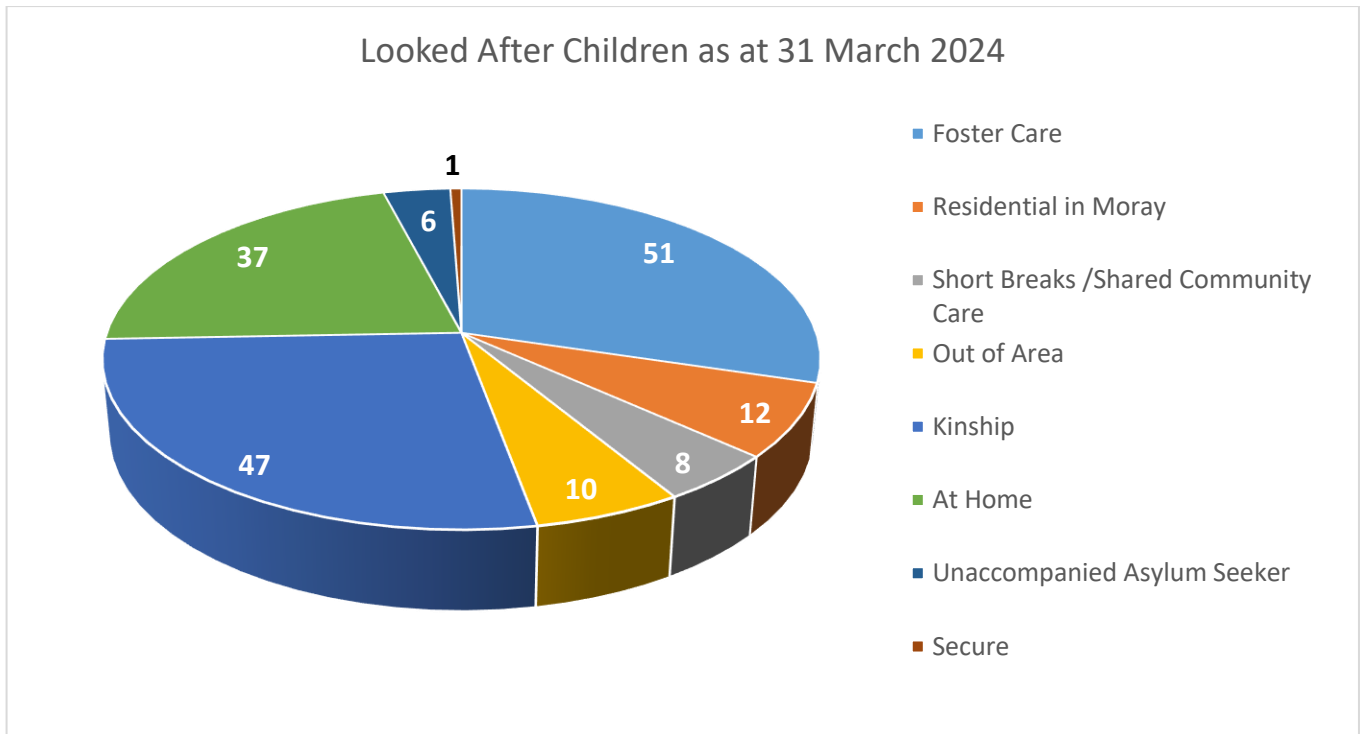
Structured Deferred Sentences

Of the 89 Justice Social Work Reports completed within this quarter, 20 of these resulted in a Structured Deferred sentence being imposed with a further report being required within 3-6 months. This is an interim disposal which allows an individual an opportunity to engage prior to a final disposal by the Court being made. This is especially prioritised for younger people, females, those with issues such as mental health and addiction and CEYP. This also allows CEYP individuals an opportunity to engage with services and receive support which may prevent a formal Order being imposed.

Looked After Children

Rate/1,000 0-17 population.

At the end of quarter 4, the number of looked after children was 9.67 per 1,000 of 0-17 population. This is lower than the national average (12.3) based on the most recent comparator statistics which date from 2021-22. It should be noted that the target will have changed for 2022-23 and we await release of this by the Scottish Government in May 2024.



Statistically it is difficult to ascertain how other authorities record their numbers as the level of detail is not readily available. While nationally significant, the numbers of looked after children are comparatively small which can provide significant percentage variance.

An example of this is that in Moray, we consider all Unaccompanied Asylum-Seeking Children (UASC) and Short-term respite breaks within our Looked After numbers. We are aware that not all Comparator authorities do this. We are currently undertaking an exercise to consider what our comparator authorities record.

At the end of Quarter 4, the total number of looked after children (172) included 14 children who would be considered as UASC or needing short term respite breaks which represents 8% of our total looked after cohort.

The indicator is derived from the local government annual returns which is submitted to Scottish Government each autumn. The target represents the median of our comparator authorities and is adjusted annually hence the latest target of 9.3 per 1000 of 0-17 population which is the 2021-22

target. If we remove UASC and children needing short term respite breaks, we achieve the current target of 9.23.

Compulsory Supervision Orders

At the end of Quarter 4, a total of 75 children were subject to a Compulsory Supervision Order directing their care, alongside 38 who were secured with a Permanence Order in a long-term foster or kinship placement.

The rate of looked after children subject to Compulsory Supervision Orders is 6.4, (113 children), per 1000 of 0–17-year population. The short-term trend shows a stable rate with a variance of 0.9 across the past 2 years. The long-term trend has decreased from a 9.9 (187/208 children) to 6.4 (113/172 children) at the end of the current Quarter.

Foster Care

The target for this indicator is adjusted annually to the median of comparator authorities (2021-22 5.3%). At 3.5% the proportion of Looked after children in purchased Foster Care placements has met the target.

The numbers of children and young people with external foster carers are low (6) and reflect a period where there was a shortage of in-house foster carers. These are historical cases where young people in these placements have subsequently been matched with their carers and become subject to Permanence Orders securing their long term care arrangements. This reflects the needs and wishes of the children and young people as part of a trauma informed approach. Currently, Moray has improved our ability to place children and young people with in-house foster carers.

There is a Carer Recruitment Campaign in place which has a focus on the recruitment of foster carers and supported lodgings carers. This has resulted in an increase in the number of approvals of carers. As a result of this, there has been an improved ability to place children and young people with in-house foster carers. This has reduced the need to purchase agency foster care placements. The Carer Recruitment Campaign is ongoing where it is anticipated that the use of in-house carers will continue to increase.

Kinship Care

The target for this indicator is adjusted annually to the median of comparator authorities (25.1% 2021/22). 27.3% of looked after children in Moray are in approved Kinship care with family members. This has increased from the previous Quarter.

There has been an increased focus on Kinship Care and the need to support children and young people to be cared for in their network of family and friends. It is recognised that Kinship Care

placements need to be supported and there has been the introduction of commissioned services which are available to these families. There has also been the introduction of Recommended Allowances for Kinship and Foster Carers which will improve the financial position for Kinship Care Placements.

Residential

There are 14 residential beds within Moray's estate. Six beds are within two houses in Moray Council's Children's Home Cala and eight within two houses in Elgin and Buckie areas. This is provided through a contract with Action for Children.

One young person returned to parental care this quarter and one young person has a planned move into a tenancy early in Quarter 4 2023-24. There were two new planned admissions to the house in Buckie during Quarter 4 2023-24.

The target for this indicator is adjusted annually to the median of comparator authorities (17.5% 2021/22). In Moray, 18% of our looked after children are cared for within residential accommodation, however, this figure includes eight children cared for on a short-term respite basis.

As explained earlier in this report, not all local authorities include respite breaks in their figures and without the short-term figures, the percentage is 13.9% which is an improved figure compared to comparator authority median.

Not all local authorities record this measure in the same way where Moray may be reporting a higher rate as it includes both full-time and short breaks placements. Moray is committed to providing family placements to those children and young people who cannot be cared for at home.

Out of Area Placements

One young person was placed in an Out of Area placement during Quarter 3 and not returned to Moray. Over the course of 2023/24, to date three young people have been accommodated in an Out of Area placement (2 in Q1 and 1 in Q3) and three have returned to Moray (2 in Q1 and 1 in Q2).

The Placement Oversight Meeting continues to monitor Out of Area placements with a focus on returning children and young people to Moray. This is supported by the work of the Carer Recruitment Campaign which is increasing the number of in-house fosters carers and supported lodgings carers. For Unaccompanied Asylum Seeking Children, Moray has not adopted the model used by other local authorities of using residential homes. Its model comprises local authority housing and supported lodgings placements. As such, the uncertainty regarding the future numbers of Unaccompanied Asylum Seeking Children should not have an impact upon residential placements for Moray.

Secure Care

There were two young people in Secure care during the reporting period. One looked after young person remained in a secure placement at the end of quarter 4 while a second person left care shortly before the end of the Quarter. This figure is below the target set from the Children Looked After Statistics (CLAS) annual return 2021-22 at 1%.

Both young people were transferred from a Young Offenders' Institute at the direction of the Procurator Fiscal which is considered best practice. The costs for the placement are also transferred from the government to the local authority.

There is an ongoing commitment to reduce the number of Looked After Children. This involves training for staff and the commissioning of services to support children remaining with their parents and families. The numbers of Unaccompanied Asylum-Seeking Children will continue to increase in both Moray and across Scotland. These numbers are decided by the Home Office where local authority influence is limited.

Staffing

Job descriptions and team structures within local authorities in Scotland differ. This makes it difficult to compare team complements on a like for like basis by description of post.

Scottish Government places similar local authorities into family groups of 8. Our closest local comparable local authority is Angus.

Angus has 14 Senior Social Workers; 62 main grade Social Workers; 9 Service Managers and 3 Heads of Service in comparison to Moray where we have 12 Senior Social Workers; 50 main grade Social Workers; 5 Service Managers and 1 Head of Service.

WTE rates for Children & Families Social Work Fieldwork Staff per 1,000 children (0-17)

If we use all levels of Social Work posts with a SSSC registration to enable accurate comparison between authorities this gives Angus a figure of 416 per 100,000 compared to Moray on 370.

There is a complication that job descriptions in the survey do not show the same type of post. Not all local authorities have Senior Social Workers but may call a similar post a Team Leader.

In Placement Services a Team Manager started their post in Quarter 3. This role was with a focus on fostering, adoption and kinship. This Team Manager role has a particular focus on supporting and increasing the provision of carers including foster carers and kinship carers. This is with a view to reducing the reliance upon paid placements (foster care and residential care) and supporting children and young people remaining in Moray.

A newly appointed Team Manager for Justice has also been in post during Quarter 3 with responsibility for the adult Justice Social Work team, including the Unpaid Work Service within that.

Commissioning Team

This quarter the commissioning team have been scrutinising the contract monitoring returns from the providers and producing comparator reports for Q1-Q3 2023/24. The scrutiny has led to enhanced contract monitoring for one provider and further clarification from other providers. The details have been compiled in reports which were issued to the contract lead officer, discussed at the Policy, Development & Commissioning meeting with the wider social work management team, and submitted to the Head of Service.

The reports were further enhanced by the family support services survey which was launched by the commissioning team in January. Twenty-one responses were received from the front-line social workers with rich comments providing another perspective on the contracts.

Social and added value (benefits with no additional cost to the Council) update reports have been created this quarter and issued to all providers. The commissioning team used the successful providers response to the tender question “please detail the social value and added value available through your company for this contract”. The template for each report contains all points received from the providers tender response, with space for them to update on what they have delivered in relation to the social and added value benefits of the contract. This information will be returned with the Q4 report submissions by 14/04/2024.

Scotland Excel are the centre of expertise for their frameworks, and it is their frameworks we use for residential placement and education, including short breaks. The young people placed there are done using an Individual Placement Agreement (IPA), but the commissioning team identified a gap in receiving some contractual data back from the placements. A short template was created to gather transition information, their vacancies (to assist for future and other placements), their reflections, risks & mitigating actions, comments / service feedback, complaints, incidents, restraints / safe holds / seclusions and the young person’s views. This system will also be used for placements through Moray council framework providers for residential services who have young people placed using an IPA.

Eight IPAs are currently being redrafted; this is due to a number of them expiring on 31/03/2024. The commissioning team are working collaboratively with the social workers to ensure the information is accurate, updated prior to obtaining the approvals from the budget holders and sending to the providers. During this quarter there was one placement at a secure care centre, the IPA was completed within the legal timeframes.

The short breaks tender was due to be awarded this quarter, but the one bid received was unaffordable. Consultation with the provider is ongoing as the budget has been significantly impacted by two emergency placements and considerations for their next placements. To ensure this contract does not expire non compliantly, discussions are ongoing with the provider and procurement.

The children's advocacy service (known as Moray Children's Rights Service) with Quarriers which commenced 16/10/2023 are experiencing capacity issues due to demand. The contract is split into 2 lots, lot 1 for the child / young person and lot 2 for their parent / carer/ sibling, as this is the first time we have offered advocacy lot 2 referrals were an unknown. Their first contract monitoring return covers the period 16/10/2023 – 31/12/2023 and they reported 113 referrals. Children and young people made up 70 of the 113 and their parents / carers / siblings 43 out of 113. This service received more referrals in 10 weeks than the same service in Falkirk in one year. At a contract meeting with Quarriers at the end of January 2024, they advised there had been a further 50 referrals in January. Capacity of the contract is a risk and has been escalated to Practice Governance Board (PGB) and noted on 19/01/2024 following discussion at Policy, Development & Commissioning on 12/01/2024.

On 01/01/2024 the Unpaid Carers contract commenced. The commissioning team are offering support to Quarriers through the transition and will continue to meet with them. Due to the contract value remaining the same, Quarriers have included maximum Adult Carer Support Plans and Young Carer Statements to be completed annually. This will be monitored and escalated if required.

The commissioning team have developed a specification for Children with a disability – Group activities in collaboration with the shorter life working group. This is to utilise the budgets from the previous Safer, Stronger Families and Cornerstone contracts.



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 27 JUNE 2024

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

Internal Audit Staffing Resources

4.1 Further to a Special Meeting of the Moray Council on 28 February 2024 (para 6 of minute refers), it was agreed to reduce the Internal Audit Section staffing budget by replacing the Corporate Investigations Officer's post with a 0.5 full-time equivalent. As assurances are gained from the controls within Council systems used by the Moray Integration Joint Board, I am highlighting my concerns about whether the existing resources of the Internal Audit Section are sufficient to meet the auditing requirements and to support effective counter fraud and corruption arrangements. Despite this reduction in internal audit resources, I intend to use the remaining budget from the reduction of the Corporate Investigations Officer post and additional funding secured to seek the appointment of a full time Assistant Auditor. I hope that appointing an Assistant Auditor can mitigate the risks associated with a reduction in staff resources while still maintaining the delivery of an effective internal audit service. However, members need to be aware this reduction in staff resources

may impact my ability to deliver an effective internal audit function.

Follow Up Reviews

- 4.2 Internal audit reports are regularly presented to 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:

Transformation Programme

- 4.3 An audit was undertaken to review the Council's Improvement and Modernisation Programme. The Improvement and Modernisation Programme (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 management and delivery of projects to provide service improvements are undertaken through a framework detailed within the Project Management Governance Policy. The audit included a review of the governance arrangements around the management, monitoring and reporting arrangements of the IMP, and a check that strategic projects contained within the IMP are administered in accordance with the Project Management Governance Policy. I am therefore pleased to report all recommendations have been implemented. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 1**.

Data Protection

- 4.4 A review was undertaken to ensure compliance with the Data Protection Act 2018. The audit sought evidence to check the awareness of comprehensive training programmes and effective oversight and governance arrangements to monitor ongoing compliance with the Data Protection Act. Findings from the follow up review noted that several recommendations remain outstanding. The Information Governance Service, while implementing the recommendations, found that the volume of work required, in addition to other information management compliance requirements, was significantly greater than initially envisaged. Due to the multi-year timescale of implementing some of the recommendations, it is intended to include the review of review of Data Protection Act in a future audit plan rather than undertaking another follow up review. The Follow Up Report is given in **Appendix 2**.

Information Management

- 4.5 This audit compliments the previous review undertaken regarding the Council's compliance with the Data Protection Regulation. The scope of this Information Management audit was to ensure that appropriate systems exist in the management, security and transfer of data to care providers, including NHS Grampian. Controls in this area are particularly important due to the sensitive nature of much of the information. Findings from the follow up review noted that a number of the recommendations remain outstanding. Implementation of these recommendations is linked to the previous audit, which also highlighted a number of related information management improvements. Due to the volume of work required, there is a need for a multiyear timescale to implement some of the recommendations. It is therefore intended to include a review of Information Management within a future audit plan. The Follow Up Report is given in **Appendix 3**.

Disabled Parking Permit Scheme

- 4.6 A follow up review to evidence implementation of the recommendations contained within an audit report regarding the administrative arrangements of the Disabled Parking Permit Scheme has been completed. Disabled parking permits, also known as blue badges, help people with disabilities or health conditions park closer to their destination. Local authorities are responsible for the day-to-day administration and enforcement of the scheme. However, Transport Scotland has set the framework for the scheme. The audit reviewed the systems and procedures for administering the Disabled Parking Permit Scheme. This has also included the processes for investigating blue badge misuse. It is pleasing to report that all the recommendations detailed within the audit report have been implemented. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 4**.

Debtors

- 4.7 A follow up review has been undertaken to evidence implementation of the recommendations for an audit review of the Debtors System. Invoices are raised for various types of services, e.g. financial contribution for care, trade waste, special uplifts, hire of facilities and rechargeable repairs. The audit scope involved testing to ensure invoices can be evidenced with enough backing documentation to be able to support debt recovery should the need arise; confirming payments had been auto-matched to debtor accounts; receipts without a valid reference have been posted to and cleared from a suspense account on a regular basis; effective monitoring of unpaid invoices are monitored and chased in accordance with debt recovery procedures; collection performance is monitored and reported. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 5**.

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/27062024

Moray Council

Internal Audit Section

DEPARTMENT: Education, Communities & Organisational Development

SUBJECT: Transformation Programme (Improvement and Modernisation Programme)

REPORT REF: 24'009

Follow Up Audit Review

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: Review key controls 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	30/11/2023	Implemented. The Project Management Governance Policy has been updated and reported to the Corporate Committee on 07 November 2023. This has highlighted a need for a more substantive review of the corporate management of transformation and change which is being considered by Corporate/Senior Management Team.

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
5.02	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	30/11/2023	Implemented. A Highlight Report has been updated and is now used to monitor the progress for all Improvement and Modernisation Programme strategic projects. Future project management arrangements are being discussed by Corporate/Senior Management as detailed in 5.01 above.
5.03	Consideration should be given to reviewing the format of future committee reporting arrangements to allow greater transparency in monitoring financial savings derived from implementing Improvement and Modernisation Programme projects.	Medium	Yes	30/11/2023	Implemented. Reporting format has been revised by the Chief Financial Officer to provide greater clarity. This revision to the reporting format should assist in providing greater transparency to monitor savings and

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	
					achieve the future financial sustainability of the Council.	

Moray Council

Internal Audit Section

DEPARTMENT: Education, Communities and Organisational Development

SUBJECT: Data Protection

REPORT REF: 23'015

Follow Up Audit Review

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: The Council has the appropriate procedures and controls in place to protect information, fulfilling the requirements of the Data Protection Act.					
5.01	The Data Protection Policy and guidance should be reviewed to ensure the detailed information remains current and appropriate. Thereafter, a timetable for continued review should be set.	Medium	Yes	31/01/2023 (Revised Implementation Date 31/03/2025)	Outstanding. Due to the limited staff resources and the requirement to prioritise activity towards data breach investigations, completion of Data Protection Impact Assessments and Data Sharing Agreements, the updating of the Policy and guidance has been delayed. It is accepted that the Policy and guidance are in need of a review and if

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
					required updating, but this needs to be balanced with current operational demands. A revised implementation date of 31/03/2025 has been agreed.
5.02	In compliance with UK GDPR, a Record of Processing Activities (ROPA) should be compiled by the Authority based on a data mapping exercise.	High	Yes	31/12/2023	Part Implemented. The follow up review noted evidence of work in progress to complete a Record of Processing Activities (ROPA). However, on implementing the recommendation, it was found that the volume of work required to complete a ROPA for multi-service activities, in addition to other information management compliance requirements noted within this audit review was significantly greater than initially envisaged. The Service has advised that the implementation of the recommendation will be undertaken over the next few years. It is intended that another audit review will be included in a future Audit Plan to evidence

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
					implementation.
5.03	In compliance with UK GDPR, an Information Asset Register should also be compiled and maintained on an ongoing basis.	High	Yes	31/08/2023	Part Implemented. An Information Asset Register is being compiled as part of more comprehensive information management compliance requirements referred to in the Status/ Explanation at 5.02. It is intended that another audit review will be included in a future Audit Plan to evidence implementation.
5.04	A review of Privacy Notices held within Council services should be progressed and the documents made available on the Council website for public inspection.	Medium	Yes	31/08/2023	Part Implemented. Evidence noted of completion of Privacy Notices. However, as referred to previously, full implementation of this recommendation is part of wider information management compliance requirements. It is intended that another audit review will be included in a future Audit Plan to evidence implementation.
5.05	Consideration should be given to undertaking reviews within	High	Yes	31/08/2023	Part Implemented. It was found that data protection compliance recommendations are

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
	Services to audit compliance with the Data Protection Policy and Guidance. This should provide assurance that the Authority is effectively handling personal data in line with regulations.				made to services when asked to review systems or practices or where improvements are identified due to data breaches. However, a programme of rolling reviews within services to evidence continued compliance with data protection regulations is intended after completing the audit recommendations previously detailed. It is intended that another audit review will be included in a future Audit Plan to evidence implementation.
5.06	A review of the guidance documents and forms held within the Information Management section of the Interchange should be undertaken and updated accordingly.	Low	Yes	30/09/2023 (Revised Implementation Date 31/03/2025)	Outstanding. Interchange content relating to information management has yet to be reviewed due to ongoing operational demands and workload capacity. Implementation of this recommendation will be undertaken after the review and if required updating of the Data Protection Policy and guidance, referred to within recommendation 5.01. A revised implementation date of 31/03/2025 has been

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. A wholesale review of Interchange content relating to Information Management has not been undertaken due to workload capacity. A comprehensive housekeeping exercise will be undertaken when the Data Protection Policy and guidance, referred to at 5.01, is updated and new documentation and templates are required to be made available. A revised implementation date of 31/03/2025 has been set.
5.07	A review should be undertaken of the officers that have not undertaken the data protection training on the LearnPro training system. Any officer identified should be reminded to undertake their data protection training requirement.	High	Yes	30/04/2023	Outstanding. Data Protection training is required for newly appointed officers. In addition, officers are required to complete annual data protection refresher training. However, performance information is not readily available to highlight officers who have not undertaken this training. A new Learning Management Software Application System is currently in the process of being procured, with installation planned for 2024/25. It is intended

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
					that this new Learning Management Software Application System will provide additional reporting functions detailing officers' participation in training modules. It is intended that another audit review will be included in a future Audit Plan to evidence implementation.
5.08	Consideration should be given to providing elected members with an update of actions undertaken to ensure the Council's compliance with data protection requirements.	High	Yes	31/12/2023	Implemented. An Annual Information Governance Report was provided to the Corporate Committee on 7 th November 2023. It is intended to continue with reporting an Annual Information Governance Report to committee.

Moray Council

Internal Audit Section

DEPARTMENT: Health and Social Care Moray

SUBJECT: Information Management

REPORT REF: 23'009

Follow Up Audit Review

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: Appropriate arrangements are in place for secure handling and sharing of personal data.					
5.01	Data Protection Impact Assessments (DPIAs) should be undertaken to determine whether additional safeguards need to be implemented where information concerning service users is shared with care providers.	High	Yes	31/12/2023	Part Implemented. This follow up review within Health and Social Care Moray found that Data Protection Impact Assessments (DPIAs) have been completed for care providers within Children Services. However, in Adult Services, work is still ongoing, and due to the number of care providers, significant work is still required before all of the necessary

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
					DPIAs are completed. This recommendation is linked to the KPMG review of Adult Social Care Commissioning, which highlighted the need for agreement of new contracts with care providers. Due to the multi-year timescale, it is intended that another audit review will be included in a future audit plan to evidence implementation.
5.02	Assurances should be obtained that appropriate data protection training has been undertaken by NHS Grampian employed officers requiring access to Council administered databases.	Medium	Yes	31/03/2023	Implemented. The application process for NHS employed officers to gain access to Council Systems has been amended to include the requirement to disclose the date that Data Protection training was last completed. NHS Grampian has also provided assurances that officers are required to complete annual refresher training on Data Protection.
5.03	Access to the Staffplan Software Application used to schedule visits	Medium	Yes	31/03/2023	Outstanding. Further investigations found that establishing individual log in access would

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
	by Care Workers to service users should require individual user login and password controls.				require significant development and resources to implement. As the system has no link to other software applications, e.g., payroll, this recommendation is not considered a priority at the moment but will be reviewed again in the future. However, all officers using StaffPlan are to be reminded of good ICT security practices, e.g., locking the screen to prevent unauthorised access.
5.04	Regular reviews should be undertaken to confirm the access requirement to the Occupational Therapy Stores Management System by NHS Grampian employed officers.	Medium	Yes	31/03/2023	Implemented. A process of regularly reviewing officer access requirements to the Occupational Therapy Stores Management System is now in place.

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
5.05	The Council and NHS Grampian should agree on an updated Data Sharing Agreement (DSA) for operational information concerning service users that includes the requirements of the current data protection regulations.	Medium	Yes	31/06/2023	Part Implemented. The follow up review noted that the Council and NHS Grampian have now agreed on an Information Sharing Protocol. This is an overarching agreement that allows for the development of DSAs for individual service areas. Work is now ongoing to develop DSAs where information is shared. However, this has been a significantly greater workload commitment than initially envisaged, and a multi-year timescale is needed to implement this recommendation. As a result, it is intended that another audit review will be included in a future Audit Plan to evidence 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
5.06	Contract compliance visits to care providers should include a review that appropriate systems are being followed to manage and ensure the security of service user information.	Medium	Yes	Implemented	Implemented. The contract monitoring checklist for external care providers was updated to include checking information management arrangements.

Moray Council

Internal Audit Section

BODY: Health & Social Care Moray

SUBJECT: Disabled Parking Permit Scheme

REPORT REF: 24'010

Follow Up Audit Review

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: Effective management controls operate to ensure the delivery of the Disabled Parking Permits System is in accordance with Transport Scotland guidelines.					
5.01	The Blue Badge Scheme Policy should be reviewed and updated. This should include reference to responsibility for investigating misuse and arrangements if required to cancel a service users' blue badge.	Medium	Yes	31/03/2024	Implemented- The Blue Badge Scheme Policy has been updated to include procedures for investigating allegations of misuse of blue badges.

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
5.02	All service users identified that have received a blue badge in 2020 a 2021 but not billed should be invoiced as a matter of priority.	High	Yes	31/01/2024	Implemented- The Service has reviewed and invoiced all service users who received a blue badge in 2020/21 but had not been billed. It was noted that this required 1424 invoices to be issued, with a total value of £28,480.
5.03	In accordance with Financial Regulations, service users should be invoiced within one month of receiving a blue badge. An action plan should also be agreed to resolve any backlog of blue badges issued to applicants who have yet to be invoiced.	Medium	Yes	31/08/2023	Implemented- Audit testing of recent applications has found that service users receiving a blue badge are invoiced in accordance with Financial Regulations. In addition, it was also confirmed that the backlog of blue badges issued to applicants but not invoiced has been resolved.
	The audit review noted that the fee for a blue badge is payable on application in some Local Authorities. Consideration should	Low	Yes	31/12/2023	Implemented – It was noted that a working group was established to investigate the possibility of changing the current invoicing procedures to request payment for a blue

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
	be given to investigating the option for an individual to pay the charge for a blue badge on completion of the application form.				badge within the application process. Further to this review, the Head of Service has decided to require individuals to pay the charge for a blue badge upon completion of the application form. The Service has advised these new arrangements will be implemented by 30 September 2024.
5.04	All sensitive personal data held within the Community Care Finance Office should be stored securely with access restricted to only authorised officers.	High	Yes	31/08/2023	Implemented- All sensitive personal data are now being stored securely and access is restricted to authorised officers only.

Moray Council

Internal Audit Section

DEPARTMENT: Economy, Environment & Finance

SUBJECT: Debtors

REPORT REF: 24'011

Follow Up Audit Review

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: The audit reviewed the key operational controls in the management of the Debtors System.					
5.01	Further to a review undertaken by the Payments Section, additional controls have been implemented to ensure more effective monitoring of software licensing requirements. This will include establishing a register of software	High	Yes	31/12/2023	Implemented – Revised processes have been introduced to ensure software licenses are renewed in accordance with contract conditions.

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
	certificates requiring future renewal.				
5.02	To ensure the Council is maximising income recovering arrangements, services should be reminded to resolve any disputed invoices as quickly as possible.	Medium	Yes	31/01/2024	Implemented – The Payments Section sends quarterly debt management reports of unpaid invoices to services. Services have been reminded of the need to resolve disputed invoices promptly. Payments Section also undertakes regular age debt analysis to highlight unpaid invoices over different time periods.
5.03	In accordance with Financial Regulations, services should be reminded of the requirement that invoices are issued promptly, either in advance or within a maximum of 30 days of the service or goods being provided.	Medium	Yes	31/01/2024	Implemented – Quarterly debt management reports are sent to services, which include a reminder of the Financial Regulations requirement of issuing invoices within 30 days of providing a service or goods.
5.04	Consideration should be given for additional guidance to be included	Medium	Yes	31/01/2024	Implemented – Revised Sundry Debt Management Procedures have been updated

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
	within the Sundry Debt Management Procedures to ensure a uniform approach is taken where the use of legal action should be considered by services for the recovery of unpaid invoices.				to include guidance on the use of legal action for unpaid invoices. Procedures remain within the consultation period with an expectation of final agreement by the end of June 2024.
5.05	Consideration should be given to further developing performance management information to allow benchmarking with other local authorities and for the internal management of debt recovery action undertaken by individual services.	Medium	Yes	31/03/2024 Revised Implementation Date 31/08/2024	Outstanding – Operational demands and staffing vacancies have delayed the implementation of this recommendation. Work has started on the analysis of information, which will then be used to develop performance indicators for benchmarking with other local authorities. Revised implementation date 31/08/2024.



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 27 JUNE 2024

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:

Creditor Payments- Regularity Review

4.2 Part of the Council's annual audit plan is devoted to main financial systems, including creditor payments that cover non-payroll expenditure, i.e., payment for works, goods and services to suppliers or contractors. The purpose of the audit was to confirm ongoing compliance with procurement and payment processing regulations.

4.3 Testing was undertaken using a data analysis software application to extract a random sample of transactions for review. A check for duplicate payments was also carried out by extracting listings where more than one invoice from a single supplier had been paid for the same amount. Findings from the testing undertaken did note issues concerning the authorisation, processing

and use of suppliers, but overall, it is considered they do not indicate a systematic failure in operating arrangements. The executive summary for this project is given in **Appendix 1**.

Payroll- Regularity Review

- 4.4 A review of the Council's payroll system has been undertaken. The payroll system is one of the core financial systems of the Council, administering approximately £178 million of annual expenditure. The audit reviewed the effectiveness of key controls in the management of the payroll service. This involved audit testing a random selection of salary payments and deductions to ensure the correct calculation of remuneration and statutory/ voluntary deductions are processed timeously and accurately. The Chartered Institute of Public Finance and Accountancy Control Matrices were used to develop the audit programme.
- 4.5 The findings from the audit undertaken noted that within the scope of this review, effective arrangements are in place in the management of the Council's payroll system. However, improvements were identified. The executive summary and recommendations for this project are given in **Appendix 2**.

Purchasing Cards

- 4.6 An audit has been undertaken to review the systems and procedures for the management, use and control of purchasing cards. Cards are available to officers on approval of their budget manager. They provide flexibility and a cost effective alternative to the standard requisition ordering process. Purchasing cards are managed by a payment card software application administered by the Bank. The audit selected a time period for testing from April to October 2023, with an expenditure of £1.7 million. Findings from the review undertaken found areas where improvements are required in administrative and monitoring arrangements, especially concerning the accounting arrangements for Value Added Tax (VAT) accounting arrangements. The executive summary and recommendations for this project are given in **Appendix 3**.

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/27062024

AUDIT REPORT 24'020**CREDITOR PAYMENTS- REGULARITY REVIEW****Executive Summary**

The Annual Audit Plan for the year 2023/24 provides for coverage of the Council's core financial systems. A review of payments made to suppliers of goods and services has been undertaken. The purpose of the audit was to confirm compliance with Financial, Procurement and Creditor Payment Processing Regulations from the sample checked. This review is part of the annual continuous auditing activity of non-salary expenditure and will be used to support the Audit and Risk Manager's annual opinion of the Council's internal control system.

Approximately £74 million was paid in the six months, April to September 2023, to suppliers of goods and services. Through the use of a data analysis software application, a random sample of individual payments with a collective total of £11.3 million was selected. The testing included a check to ensure invoices have been correctly authorised, coded and in compliance with regulations. The audit programme was developed from the Chartered Institute of Public Finance and Accountancy Systems Based Auditing Control Matrices and consultation with the External Auditor. In addition, the data analysis software application was also used to select a sample of high-value invoices to test and a check made of identical payment amounts made to the same supplier, which may indicate a potential duplicate payment.

Findings from the review found two examples where invoices had not been correctly authorised and an advance payment without the required authorisation of the Chief Financial Officer. In addition, off contract expenditure was also noted in the testing undertaken. Although audit testing noted errors, it is pleasing to report that explanations have been obtained for the discrepancies found, and it is considered that the findings do not indicate a systematic failure in operating arrangements. The Services have also taken the appropriate corrective action. It is considered from the sample checked and from the scope of this review that generally appropriate controls are operating effectively and the integrity of systems has been maintained.

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

AUDIT REPORT 24'023**PAYROLL- REGULARITY REVIEW****Executive Summary**

The annual audit plan for the 2023/24 year provided for a review to be undertaken of the Council's payroll system and specifically the controls in place to ensure the adequacy of the systems in place for the payment of salaries. This was undertaken by testing a random sample of starters, leavers, and continuing employees to verify the accuracy of payments and to provide assurance that supporting documentation was in place to support the payments. The sample period for the audit testing was 1 April 2023 to 31 October 2023. The Payroll system is a core financial system of the Council and is key to supporting the processing of staffing costs, which in 2022/23 were in the region of £178 million. The main objectives of the audit were to review the controls in place to ensure the correct calculation of remuneration and that statutory and voluntary deductions are processed timeously and accurately.

Since 2017, the Council has operated its Payroll function using a software application called iTrent. It was noted that approximately 5,400 officer payslips are processed every month. The iTrent system has a dual function of meeting the requirements of two main service areas, i.e., payroll and human resources. This allows segregation of duties control to ensure a separation between the management process concerning officer appointments, terminations, grading and the processing of salary payments.

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

It is pleasing to report that from the testing undertaken and within the scope of this review, effective arrangements are in place in the management of the Council's payroll system. However, the following areas were identified for management attention:

- From an audit check undertaken to ensure the correct last date of employment was used for the salary paid to a sample of officers recorded as leaving the employment of the Council; an example was noted where an officer had continued to be paid for 2 months after the date the officer had left the Council. This issue had already been raised separately, and action has been taken to recover the overpayment. The salary overpayment occurred due to an administrative error within the employing Service. A reminder should be issued to all budget managers of the need to ensure prompt notification to the Payroll Section as soon as it is known that an officer is leaving the employment of the Council.
- Audit testing noted an officer who had been paid a significant amount of Time Off In Lieu (TOIL). The TOIL payment had been correctly authorised. However, enquiries noted that no policy is in place to assist managers and officers in detailing agreed and consistent guidelines for the use, authorisation and if required payment of TOIL.

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	0

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: Key controls and processes are operating effectively in ensuring accurate salary payments to Council employees that are accounted for correctly.						
5.01	Notification of Appointment Forms should be completed for appointments of Newly Qualified Teachers.	Medium	Yes	Will be completed as part of the induction day for NQT's held in August each year and prior to commencement of employment. Payroll process will be updated accordingly.	Business Support Team Manager	31/08/2024
5.02	All budget managers should be reminded of the importance of timely completion and submission of a "Termination of Employment" Form" as soon it is known that an officer is leaving the employment of the Council.	High	Yes	Regular reminders to be included within the HR Bulletin, Payroll newsletter and Connect.	Head of HR, ICT & Organisational Development	30/06/2024

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
5.03	A policy relating to Time Off In Lieu (TOIL) arrangements should be agreed.	Medium	Yes	A policy will be developed and progressed through due process.	Head of HR, ICT & Organisational Development	31/10/2024

AUDIT REPORT 24'023

PURCHASING CARDS

Executive Summary

The Internal Audit Plan for the 2023/24 year provides for a review of the systems and procedures for the management, use and control of purchasing cards. A purchasing card is similar to a personal credit card issued by the Council's Bank used by the Moray Council to enable purchases of supplies and services to be made quickly and efficiently. Cards are available to officers on approval of their budget manager. It provides flexibility and a cost effective alternative to the Council's standard requisition ordering process. Purchasing cards are managed by a payment card software application administered by the Bank.

The audit scope for this review was to assess the key controls and systems in place in the management and use of purchasing cards. This involved testing a sample of transactions to evidence operating arrangements compliance with the Purchasing Card Manual. In addition, the audit checked the use of purchasing cards to Financial Regulations, Authorisation Policy and VAT accounting requirements. The audit also undertook a reconciliation of purchasing card transactions within the payment card system to the Council's Financial Management System.

In terms of scale, at the time of the audit, purchasing cards were in issue to 424 officers. The audit selected a time period for testing of April to October 2023, which amounted to a total expenditure of £1.7 million.

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

Areas identified for management attention include:-

- The audit has noted a number of findings where improvements have been identified as required in Value Added Tax (VAT) accounting arrangements. Testing has found examples where the maximum recovery of input VAT is not being achieved. Services should be reminded of VAT accounting arrangements detailed within the Purchasing Card Manual to ensure increased costs are not being incurred unnecessarily.
- All officers issued a purchasing card are required to sign and return to the Payments Service a Payment Card Terms of Use Form. This form details the officer's acceptance of the conditions of use, card security and the requirement for purchases to comply with the Council's Financial Regulations. Audit testing found from a random sample that the majority of officers using a purchasing card had not signed this Payment Card Terms of Use Form.
- All payment card transactions over £10 must be authorised by the appropriate budget manager within the payment card software application. Operating arrangements involve a weekly email notification from the Bank to a budget manager to highlight any unauthorised transactions. Additionally, there are periodic notifications by the Payments Service to remind budget managers to

authorise all transactions. Testing noted within the time period reviewed that approximately 6% of all transactions had not been authorised. This amounted to 394 individual transactions. In accordance with the Authorisation Policy, a Budget Manager is required to authorise all transactions over the value of £10. The authorisation of transactions is a key control as a payment is made in full on receipt of the monthly purchasing card statement from the Bank.

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.
3	6	3

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: Procedures are in place and frequently reviewed to govern use of the corporate purchasing cards system.						
5.01	In accordance with agreed timescales, Purchasing Card Procedures should be reviewed annually and made available on the Interchange for user reference.	Medium	Yes	Procedures will be reviewed annually, every March, and uploaded to the interchange for reference.	Assistant Manager FMS & Banking	30/04/2024
Key Control: A robust purchase card application process is in place accompanied by a controlled process for issue of cards on acceptance of terms of operation.						
5.02	All officers must sign and return a Payment Card Terms of Use Form to the Payments Service before being issued a purchasing card and access granted to the Payment Card System.	Medium	Yes	As an addition, it will be included as part of the terms and conditions that the card will not be issued until the signed form is returned.	Payments Officer	30/04/2024

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
Key Control: Usage of purchase cards is controlled by imposed limits, is for purchases not suitable for standard procurement routes, is appropriately detailed for authorisation and scrutiny purposes and supports the continued appropriateness of card retention.						
5.03	Consideration should be given to aligning all purchasing cardholders who hold a standard single transaction limit to the current transaction limit of £1,000 to ensure consistency.	Low	Yes	An exercise to review limits will be undertaken.	Payments Officer	31/07/2024
5.04	The Bank should be informed to correct the errors found in Cardholders spending limits noted during the audit review.	Low	Yes	As above, this will be addressed by the exercise to review all cardholder limits.	Payments Officer	31/07/2024
Key Control: Purchase Card transactions are appropriately authorised by the relevant budget manager.						
5.05	Full transaction listings of purchase card transactions should be issued for information to all budget managers every quarter, in	Medium	Yes	Full transaction listings for 23/24 will be issued to budget	Assistant Manager FMS & Banking	30/04/2024

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
	compliance with purchasing card procedures.			managers as a catch-up exercise and quarterly reports will be issued going forward.		
5.06	Agreed timescales should be established where payment card transactions not authorised by a budget manager are referred to the appropriate Head of Service to resolve and if required, authorise the outstanding expenditure.	Medium	Yes	Budget Managers will be chased monthly and non compliance will be reported to Heads of Service on a quarterly basis.	Payments Officer	30/04/2024
Key Control: VAT on purchasing card transactions is accurately documented and accounted for with full recovery of applicable input tax elements.						
5.07	A reminder should be issued to all services to remind officers of VAT accounting requirements for payment card transactions.	High	Yes	A reminder will be added to the annual email template used for confirming	Payments Officer	30/04/2024

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
				terms of use and cardholder details with every cardholder.		
5.08	Consideration should be given for the Payments Service to undertake further monitoring of payment card transactions with the aim of maximising VAT recovery where documentary evidence is required of valid VAT receipts / invoices from services.	High	Yes	This will be considered in terms of available resources and workload prioritisation. However, the process should be assisted by the electronic developments for receipt recording currently being progressed.	Assistant Manager FMS & Banking	31/07/2024
5.09	The agreed procedure for the Payments Service of issuing routine escalation reports on	High	Yes	Process has been reinstated with	Assistant Manager FMS & Banking	30/04/2024

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
	purchase card transactions with potential VAT implications to Heads of Service should be reinstated to promote VAT recovery arrangements.			catch-up reports for 23/24 now issued to Heads of Service. The standard process of issuing timely quarterly reports will be followed going forward.		
5.10	Investigation of an electronic document imaging facility to record VAT receipts / invoices on transaction logging should continue with the aim of implementing more effective VAT accounting and documentation retention arrangements.	Medium	Yes	System development is currently being undertaken to progress the required electronic upload of spend evidence.	Assistant Manager FMS & Banking	31/07/2024

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
Key Control: Processes are in place to ensure purchase card permissions are fully withdrawn from cardholders on termination of employment.						
5.11	In accordance with operating arrangements, the payment card system should be updated promptly to reflect current budget management responsibilities when notified of officers leaving the employment of the Council.	Medium	Yes	Leaver information will continue to be addressed monthly. Process will be strengthened to ensure budget managers who cannot be immediately removed from the system are flagged for review in the following month.	Payments Officer	30/04/2024
5.12	Greater care should be taken on inputting payroll reference numbers when setting up employees on the purchasing card system.	Low	Yes	An email reminder will be issued to the Team.	Assistant Manager FMS & Banking	30/04/2024



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 27 JUNE 2024

SUBJECT: STRATEGIC RISK REGISTER – JUNE 2024

BY: INTERIM 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 June 2024.

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; and**
- ii) ask the Committee to endorse the new format applied to the whole Strategic Risk Register and the updated content therein.**

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 minute refers).
- 3.5 The format presented today was formally presented to this Committee on 29 February 2024 (para 8 of 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 minute refers). The approved Risk Appetite Statements have been included in **Appendix 1**.
- 4.2 A review of the Risk Management Framework will commence during 2024.
- 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 Mapping of the recently delegated services is required to ensure all statutory and regulatory governance arrangements are being met, without unnecessary duplication.
- 4.5 There is significant financial risk in the system. A reviewed Financial Framework was presented to MIJB on 30 March and May 2024, further updates will be presented to MIJB throughout the year.
- 4.6 Recruitment and retention continues to provide challenges across all disciplines.
- 4.7 Work continues to give partnership wide overview of all operational risk registers.
- 4.8 A Project Office has been established to support the Financial Recovery Savings work presented to the board in May 2024.

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 The report outlines the current position and recommends the Committee note the revised and updated version of the Strategic Risk Register.



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


RISK SUMMARY – JUNE 2024

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 and providing capacity to deliver on planned strategic aims.
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 Assessment Table – Multiply likelihood score by impact score to determine the risk rating (score).

Risk No	Lead Officer	Current Risk Rating	Last Reviewed	Position Change
1	Chief Officer	Medium	13/6/24	
2	Chief Finance Officer	Very High	13/6/24	
3	Senior Management Team	High	13/6/24	
4	Senior Management Team	Medium	13/6/24	
5	Chief Officer	High	13/6/24	
6	Senior Management Team	Medium	13/6/24	
7	Chief Officer	High	13/6/24	
8	Senior Management Team	High	13/6/24	
9	Chief Officer	High	13/6/24	

Key	
	Risk improvement
	No change to risk
	Risk deterioration

Description of Risk 1: 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.	Risk Rating: Medium
Consequence: Legal and Regulatory Implications, Stakeholder Trust, Resource Challenges, Service Disruption, Not delivering Health Outcomes	Risk Movement: 


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>
Rational 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>There is a schedule of weekly meetings with the Chairs/Vice Chair of <i>MIJB and Committees</i>, Chief Officer, Chief Financial Officer, <i>Heads of Service and Corporate Manager</i>.</p> <p>The delivery plan for the new Strategic Plan “Partners in Care” 2022-32 was presented to MIJB in September 2023.</p>

Untreated Likelihood	Untreated Impact	Untreated Score	Mitigations / Current controls in place	Current Likelihood	Current Impact	Current Score
4	5	20	<p>Integration Scheme is in place</p> <p>Strategic Plan “Partners in Care” 2022-32</p> <p>Governance arrangements formally documented and approved by MIJB January 2021.</p> <p>Performance reporting mechanisms.</p>	2	2	4

		<p>Consultation with legal representative for all reports to committees and attendance at committee for key reports.</p> <p>Standing orders have been reissued to all members</p> <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 <i>and February 2024</i> provided by Legal Services.</p> <p>SMT regular meetings and directing managers and teams to focus on priorities.</p> <p>Regular development sessions held with IJB and <i>Operational Management Team</i></p>			
Assurances:	<p>Audit, Performance and Risk Committee oversight and scrutiny. Internal Audit function and Reporting Reporting to Board. The Moray Transformation Board and Strategic Planning and Commissioning Groups have recommenced and will support an oversight of planned business across HSCM.</p>				
Gaps in Assurance:	<p>The new strategic delivery plan will incorporate the work being taken forward for Self-Directed support, Hospital at Home and Locality Planning. Mapping of the recently delegated services will take place to ensure the statutory governance requirements and those of MIJB are robust.</p>				
Current Performance:	<p>The Scheme of Administration is reported when any changes are required. The Governance Framework was approved by IJB 28 January 2021. Re-appointment of Standards Officer agreed by IJB 28 March 2024. 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.-<i>The financial savings programme will utilise the SPCG for decision making where appropriate.</i></p>				

Further Controls Required m	Further Controls Owner	Target Date	Target Likelihood	Target Impact	Target Score

Review Date	Review Notes / Decisions

Description of Risk: Financial 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.	Risk Rating: Very High
Consequence: Inability to deliver its strategic priorities, statutory services and identified projects. Risk of overspend affecting financial stability.	Risk Movement: 

Rationale for Risk Appetite	<p>The Board recognises the financial constraints all partners are working within. MIJB has a low risk appetite to financial failure and recognises the significance of achieving a balanced budget. The Board also acknowledges the statutory requirements to provide services within the allocated budget. The cost of current service delivery is higher than available budgeted resources.</p> <p>Those risks will only be considered:</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
Rational for Risk Rating	<p>If the IJB's strategic plan and medium term financial plan are not prepared on a sustainable basis, there is a risk that the recurring cost base could exceed future funding allocations resulting in an underlying deficit. This will adversely affect both current and future service provision and will impact on the IJB's ability to deliver its strategic priorities and vision. Given the current level of uncertainty associated with civil unrest across the globe, cost of living crisis, tight financial settlements for local government and health and the impact of increasing demand, the magnitude of the potential costs involved represent a continuing significant financial risk. Additional consequentials have ceased and any recurring costs will have to be met from existing baseline budgets. National Care Service legislation also introduces a new area of financial uncertainty</p>


Untreated Likelihood	Untreated Impact	Untreated Score	Mitigations / Current controls in place	Current Likelihood	Current Impact	Current Score
5	5	25	1. Budgets delegated and managed by Service Managers with Head of Service oversight. 2. Vacancy controls via the Resource Management Group 3. CFO and SMT working to continuously identify additional savings.	4	4	16

			<p>4. <i>A reviewed Financial Framework was presented to MIJB on 30 March.</i></p> <p>5. Financial information is reported regularly to MIJB, Senior Management Team and Operational Management Team.</p> <p>6. The CO and CFO continue to regularly engage in finance discussions with key personnel of both NHS Grampian and Moray Council.</p> <p>7. The CO and CFO will continue to engage with partner organisations in respect of the financial position throughout the year. Cross partnership performance meetings are with partner CEOs, Finance Directors and Chair/Vice Chair of MIJB.</p> <p>8. <i>A Project Office has been set up to support the Financial Recovery Savings work presented in May 2024.</i></p>			
Assurances:	<p>MIJB and Audit, Performance and Risk oversight and scrutiny of budget Reporting through MIJB, NHS Grampian and Moray Council <i>A Project Office will support the Financial Recovery Savings work that was presented in May 2024.</i></p>					
Gaps in Assurance:	<p><i>Some of the financial savings will take planning, consultation and implementing. SMT are identifying capacity within the current workforce to support this work.</i></p>					
Current Performance:	<p><i>A working budget was approved by MIJB on 28 March 2024.</i></p> <p><i>The Revenue Budget Outturn for 2023/24 was presented with a balanced position and agreed by MIJB 30 May 2024 together with a comprehensive Revenue Budget and Recovery Plan for 2024/25 to address the significant funding gap. The recovery plan was approved by the board close monitoring will continue and be presented to the board at regular intervals,</i></p> <p><i>A Project Office has been established to manage the comprehensive plans to allow for regular and concise reporting to both Senior Management and the board.</i></p>					
Comments:						

Further Controls Required	Further Controls Owner	Target Date
Regular financial workshops with Service Leads to identify further savings	Chief Financial Officer	2/2/24 - Completed

Financial development session with MIJB members	Chief Officer	7/3/24 - Completed
Reporting from Resource Management Group to SMT for oversight of agreed spend	Chief Officer	4/3/24 - Completed
Financial workshops with OMT looking at savings options	Head of Service	2/2/24 - Completed
<i>Drop in finance sessions have been arranged for managers to speak with senior leaders and the CFO regards any proposed savings plans.</i>	<i>Chief Finance Officer</i>	<i>31/5/24 - Completed</i>
<i>Capacity within current staffing has been identified to support the collation and oversight of the financial savings plan for 2024/25</i>	<i>SMT</i>	<i>31/5/24 - Completed</i>

Review Date	Review Notes / Decisions
8/3/24	A Recovery plan was submitted to IJB in January 2024, a development session took place to discuss options in 7/3/24 with the recovery plan going back to IJB in March 2024.
29/4/24	A Development Session was held with Service Managers, SMT and MIJB members (hybrid) on 18/4/24 to discuss the proposed savings plan, some topics were discussed with Q&A session for MIJB

Description of Risk 3: Inability to recruit and retain qualified and experienced staff to provide safe care and providing capacity to deliver on planned strategic aims.	Risk Rating: High
Consequence: Service disruption, Increased Workload, Financial impact, Poor Staff Morale, Risk to Patient Safety, Negative Public Perception	Risk Movement: 

Rational for Risk Appetite	<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>
Rationale for Risk Rating (change over once approved with appetite boxes)	<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.</p> <p>There are also impacts on recruitment of Dentists and other graduates arising from the Covid-19 pandemic as the numbers graduating have 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 within teams. This will also <i>align with the significant transformation required to meet the financial recovery savings that are required across the partnership.</i> This will continue to be reviewed by the Senior Management Team. 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><i>Capacity within the system will be required to effectively deliver the transformation required to meet the financial challenges of 2024/25. With no additional resource to effect the changes required this may require reallocation of roles for staff already in post.</i></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 contributed to people not being able to take up posts in Moray.</p> <p>GP sustainability remains a national issue.</p>
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Untreated Likelihood	Untreated Impact	Untreated Score	Mitigations / Current controls in place	Current Likelihood	Current Impact	Current Score
5	5	25	<p>Management structure in place with updates reported to MIJB</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>Staff Wellbeing is a key focus and there are many initiatives being made available to all staff, 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>	3	2	6

			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			
			GP sustainability Group and Primary Care Vision for the Future Groups now progressing across Grampian.			
			Work is underway across the system to consider and implement the Health and Care (Staffing) (Scotland) Act 2019.			
Assurances:			Operational oversight by Moray Workforce Forum has resumed and will report to MIJB in accordance with the agreed Governance framework. 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.			
Gaps in Assurance:			<i>Further capacity will be required to develop and implement workforce plans to reflect updated delivery plans to reflect the financial savings required.</i> <i>Due to the various checks on vacancies, there continues to be a delay in recruitment processes often taking in excess of 8 weeks which causes additional pressure on staff and service delivery.</i> <i>There is often a lack of suitable applicants for various posts which is impacting on ability to appoint for some roles.</i>			
Current Performance			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. The iMatter survey results for 2023 were received by managers for review and action plans are now in place for implementation and review.			
Comments			<i>Staffing issues are owned by the Operational Management Team (OMT) 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.</i> <i>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 account in considerations for vacancies. This needs to be considered when fixed term contracts and secondments are planned,</i>			

	<i>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.</i>
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Further Controls Required	Further Controls Owner	Target Date	Target Likelihood	Target Impact
<i>iMatter survey results for 2023/24 will be released in June 2024 and managers will need to review and consult with staff to create actions plans for the forthcoming year.</i>	Team Leads/Managers	31/8/24		
Communications & Engagement Strategy was approved in November 2019 and requires updating.	Corporate Manager/ Corporate Programme Lead	31/12/24		

Review Date	

Description of Risk 4: Inability to demonstrate effective governance and effective communication and engagement with stakeholders.		Risk Rating: Medium
Consequence: Poor patient outcomes, reduced trust, legal and regulatory risks, workforce dissatisfaction, missed opportunities		Risk Movement: 
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>	
Rational 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, <i>whilst aligning with the financial savings plan.</i></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>	


Untreated Likelihood	Untreated Impact	Untreated Score	Mitigations / Current controls in place	Current Likelihood	Current Impact	Current Score
4	3	12	<p><i>Annual Governance statement is produced as part of the Annual Accounts 2023/34 and submitted to External Audit. The unaudited accounts and governance statement for 2023/24 will be presented to MIJB June 2024 and the audited accounts will return to committee in September 2024 for agreement.</i></p> <p><i>Annual Performance Report for 2023/24 will be published in September 2024.</i></p>	2	3	6

		<p>Performance reporting mechanisms in place and being further developed through performance support team, home first group and <i>operational management</i> 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>			
		<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 <i>updated 2024</i>, and ensure that mechanisms are in place across services to evidence and evaluate their impact. <i>The Public Engagement Communications Officer will work closely with the Corporate Programme Lead to ensure all programmes follow this criteria.</i></p>			
Assurances:		<p>Oversight and scrutiny by Clinical and Care Governance Committee, Audit Performance and Risk Committee and MIJB. 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><i>Going forward there we will continue to use hybrid opportunities Where possible to ensure access is available to all, whilst accepting this can also be challenging to facilitate and manage at times due to infrastructure available to us within Moray.</i></p>			
Current Performance		<p>Communication, Engagement & Participation Framework was approved by IJB November 2019. This will be reviewed by the Public Engagement and Communication Officer during 2024.</p> <p>The Unaudited Accounts for 2023/24 are being presented to MIJB and APR Committee in June 2024 they will then go for audit, with the audited accounts to be presented in September 2024. The Annual Performance Report for 2023/24 will be published in September 2024 after being presented to MIJB in September 2024.</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>			

	Early conversations are planned to discuss a Grampian partnership communications group to ensure consistent messaging regards service redesign and changes, ensuring a consistent message to all citizens of Grampian, in particular for area wide changes.
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Further Controls Required	Further Controls Owner	Target Date	Target Likelihood	Target Impact

Review Date	

Description of Risk 5: Inability to cope with unforeseen external emergencies or incidents as a result of inadequate emergency and resilience planning.		Risk Rating: High
Consequence: Potential to cause disruption of services, resource shortages, financial strain and increased vulnerability to service users and staff		Risk Movement: 
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.	
Rational for Risk Rating	<p>Senior Manager on Call (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 still areas where staffing versus service delivery is challenging in areas during response 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 planning and civil contingency teams.</p> <p><i>Whilst there is a constant focus on improving our responses to the responsibilities of the Act, the potential impact remains high.</i></p>	

Untreated Likelihood	Untreated Impact	Untreated Score	Mitigations / Current controls in place	Current Likelihood	Current Impact	Current Score
5	4	20	<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 <i>quarterly</i> to address priority subjects. <i>Updates are also provided at OMT on a regular basis.</i></p>	3	3	9

		<p><i>NHS Grampian Resilience Standards Action Plan approved (3 year). New standards are being drafted by Scottish Government and these are expected in 2025 and will replace the current standards.</i></p> <p>Business Continuity Plans are now updated for most services and this review continues across HSCM.</p> <p>A Resilience Newsletter is now embedded as part of the winter planning <i>providing information to staff regards personal and service resilience.</i></p> <p><i>Work continues across various groups in Grampian to improve response to power outages.</i></p> <p>A review of the Festive season arrangements has now become business as usual for any extended holiday periods and all services are now required to share service cover information over holiday long weekends which enables a more collaborative and supportive approach.</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. <i>A short life working group will be established during the summer of 2024 to ensure all services delegated to HSCM to ensure oversight of all processes for the winter of 2024.</i></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>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 partners might work together. <i>This has continued to develop throughout 2024.</i></p>			
Assurances:	<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>				


Gaps in Assurance:	<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 Regulations¹. MIJB has no dedicated, specialist in post and is reliant on the Corporate Manager covering this increasingly demanding role in addition to other duties without the relevant background, knowledge, skills and experience. This presents a potential organisational risk in terms of compliance, and our ability to provide assurance on discharging our civil contingency arrangements. This has been highlighted to the Chief Officer and MIJB.</p> <p>The ‘Care for People’ strategic document was approved by HSCM SMT and CMT. It was presented to MIJB in September 2023. A further delivery response plan was presented to MIJB in November 2023. 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 2023, with a specific focus on the draft Care for People framework. A further tabletop exercise was delivered in November 2023.</p> <p>A number of Table top style exercises were carried out and support continues to be provided to Service Managers where required.</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. <i>The system that currently records the data used for PARD is to be replaced, this function is integral to responding to incidents.</i></p>
Current Performance	<p><i>The Senior Management Team have undertaken ‘Strategic Leadership in a Crisis’ training since 2020 and continue to do so as the programme scheduling and capacity allows .</i></p> <p>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. <i>New standards are anticipated in 2025 and an updated report will be presented to the APR committee in due course.</i></p> <p>Report on the implications and risks of the designation as a Category 1 responder was presented to MIJB 25 November 2021.</p>
Comments	<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’</p>

¹ Civil Contingencies Act 2004 (Contingency Planning) (Scotland) Regulations 2005

	<p>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><i>Any replacement to the Care First database is crucial to the development of any improved PARD process and has been highlighted to the Head of Service and Project Officer.</i></p>
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Further Controls Required	Further Controls Owner	Target Date	Target Likelihood	Target Impact

Review Date	

Description of Risk 6: Risk to MIJB decisions resulting in litigation/judicial review. Expectations from external inspections are not met.	Risk Rating: Medium
Consequence: Public Reputation and confidence, legal challenges, judicial scrutiny, resource allocation	Risk Movement: 


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>
Rational for Risk Rating	Resources are stretched across all services (internal and external) so there is a potential risk of expected standards not being achieved despite the best efforts of all concerned.

Untreated Likelihood	Untreated Impact	Untreated Score	Mitigations / Current controls in place	Current Likelihood	Current Impact	Current Score
5	4	20	<p>Clinical and Care Governance (CCG) Committee established and future reporting requirements identified</p> <p>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.</p> <p>High and Very High operational risks are reviewed by NHS Grampian Clinical Risk Management and <i>the Operational Management Team</i> monthly and a review of all risks will be undertaken as part of the risk management framework.</p> <p>A session on Risks and Risk Management was delivered to a wide ranging group of managers in HSCM in September 2023 by the NHSG Risk Advisor.</p>	3	3	9

		<p>A trial has been started to transfer service risks onto the Datix Risk Register platform to give oversight of all operational risk registers. This will be reviewed before rolling out across all services. <i>IT access and training will be required to facilitate this if it is progressed.</i></p> <p>Complaints, compliments and enquiry procedures are in place and are being reviewed and monitored.</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> <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. <i>The Clinical and Care Governance Framework was refreshed and presented to CCG Committee in November 2023.</i></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. The national tool, Day of Care Survey took place across Moray on 25th and 26th January, 2023 respectively. The findings of these events were compiled and outcomes are assessed by the relevant service leads and SMT. 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 2023/24. Following an inspection carried out by Healthcare Improvement Scotland of Dr Gray's Hospital, a number of learning points have been shared across nursing services in Moray Portfolio. An inspection of Children's Services commenced in August 2023, the final report was presented to the board and a Service Improvement plan has been commenced and will be reported to APR on a quarterly cycle.</p>				

Further Controls Required	Further Controls Owner	Target Date	Target Likelihood	Target Impact
<i>Focus on the strong links of Practice Governance Board and Clinical Care Governance</i>	<i>Head of Service</i>	<i>31/7/24</i>		

Review Date	

Description of Risk 7: Inability to achieve progress in relation to national Health and Wellbeing Outcomes.	Risk Rating: High
Consequence: Health Inequalities, Loss of public trust, reputational damage	Risk Movement: 

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>
Rational 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. Unplanned admissions and delayed discharges place additional cost and capacity burdens on the service. The level of delayed discharges has remained challenging, reflecting the sustained pressure in the system 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> <p><i>The financial recovery plan will require services to be redesigned to meet outcomes in alternative ways. It is hoped that this will always provide an improved service but it must be recognised that public expectations may be different to what can be delivered.</i></p>


Untreated Likelihood	Untreated Impact	Untreated Score	Mitigations / Current controls in place	Current Likelihood	Current Impact	Current Score
4	4	16	Performance Management reporting framework. 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.	3	3	9
			Performance is regularly reported to MIJB. A Revised Scorecard is 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.			
		Chief Officer and SMT managing workload pressures as part of budget process.			
		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 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.			
		Service managers monitor performance regularly with their teams and escalate any issues to the Operational Management Team 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 OMT 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.			
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 (CCGG) and to OMT. Strategic direction is provided by the 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>				

	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.
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 outcomes are. Locality plans are now scheduled to report to MIJB on a quarterly basis.</p> <p>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.</p> <p>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.</p> <p>The Council has procured new modules for their performance reporting system Pentana and HSCM performance team have been developing its use for reporting.</p> <p>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'.</p>

Further Controls Required	Further Controls Owner	Target Date	Target Likelihood	Target Impact

Review Date	

Description of Risk: 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.	Risk Rating: High
Consequence: MIJB is unable to deliver its strategic priorities, statutory services and identified projects as outlined in the Strategic Plan published 2023.	Risk Movement: 


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> <p>We understand and can mitigate other risk types that may arise, e.g. safety or financial within appetite</p> <p>Service users are consulted and informed of changes in an open & transparent way</p> <p>We will monitor the outcome and change course if necessary</p>
Rational 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.</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>

Untreated Likelihood	Untreated Impact	Untreated Score	Mitigations / Current controls in place	Current Likelihood	Current Impact	Current Score
5	5	25	<p>Integrated Infrastructure Group with representation from NHSG and Moray Council to consider and provide solutions to data sharing issues and ICT Infrastructure matters which is an areas that will be taken forward alongside the Moray Growth Deal projects.</p> <p><i>The Moray Transformation Board has recently restarted and will link to all relevant groups.</i></p> <p><i>The Strategic Delivery Plan has been developed by the Heads of Service and Service Managers</i></p>	3	4	12

Assurances:	Strict ICT and data sharing policies and protocols in place with NHS Grampian and Moray Council. 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.				
Gaps in Assurance:	Protocol for access to systems by employees of partner bodies are in place. <i>HSCM will taking on a collaborative role with Aberdeen City HSCP (ACHSCP) around Strategic Planning and Performance. The current lead for ACHSCP will employ and line manage the dedicated role for HSCM.</i>				
Comments:	<i>Where national systems are involved it may not be possible to identify a solution however the issues will be raised at the appropriate level via the Grampian Data Sharing Group where all three partnerships are represented.</i>				
Current Performance:	<i>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.</i>				

Further Controls Required	Further Controls Owner	Target Date
<i>Financial Savings plan will align with the Strategic Themes as set out in the Partners in Care 2022-2032, however new IT system requirements currently have no allocated funding identified</i>	<i>Chief Financial Officer</i>	<i>31/10/24</i>
Self-Directed Support standards move to outcomes based services – governance arrangements are being set up to facilitate the same oversight and communication that is in place for Home First programme	Chief Social Work Officer	30/6/24
<i>Collaborative approach to Strategic Planning and Performance, with ACHSCP employing and line managing the Performance Lead for HSCM.</i>	<i>Chief Officer & ACHSCP Lead</i>	<i>31/7/24</i>

Review Date	Review Notes / Decisions

Description of Risk 9: Requirements for support services are not prioritised by NHS Grampian and Moray Council.	Risk Rating: High
Consequence: Legal challenge from citizens of Moray and Staff, challenge from Scottish Government, Failure of some services e.g. IT	Risk Movement: 

Rationale for Risk Appetite	Low tolerance in relation to not meeting requirements.
Rational for Risk Rating	<p>Changes to processes and necessary stakeholder buy-in still bedding in.</p> <p><i>Moray Council has now concluded its Smarter Working review and a number of HSCM staff have now relocated from Southfield to Moray Council Headquarters.</i></p> <p>NHSG have advised that staff should continue to work from home at present whilst policies and protocols are developed.</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> <p><i>Both parent organisations are facing their own financial and staffing issues and there is a real risk that the available support provided to HSCM is less than is required. Many of the support services provided by parent organisations are specialist subjects such as Human Resources, IT, Legal and result in high consequences.</i></p>

Untreated Likelihood	Untreated Impact	Untreated Score	Mitigations / Current controls in place	Current Likelihood	Current Impact	Current Score
5	4	20	<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 is also a member of CMT. Process for submission of projects to the infrastructure board approved and implemented to ensure appropriate oversight of all projects</p>	3	3	9

		underway in HSCM. The Board has only recently restarted, so in the interim, project requests are being processed via Senior Management Team.			
		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			
Assurances:	<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>				
Gaps in Assurance:	<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><i>The Infrastructure Board continues to develop 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 compete with other priorities of already busy roles.</i></p> <p><i>Legal services have reduced capacity to provide support due to budget cuts and vacancies so any requests are taking longer.</i></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>				
Current Performance	No update.				
Comments	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				

	The delegation of Childrens and Families and Justice Services should continue to be supported by the corporate services within Moray Council.
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Further Controls Required	Further Controls Owner	Target Date	Target Likelihood	Target Impact

Review Date	

Likelihood – What is the likelihood of the risk occurring? Assess using the criteria below.

Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Don't believe this event would happen Will only happen in exceptional circumstances	Not expected to happen but definite potential exists Unlikely to occur	May occur occasionally Has happened before on occasions Reasonable chance of occurring	Strong possibility that this could occur Likely to occur	This is expected to occur frequently/ in most circumstances more likely to occur than not

Impact – What could happen if the risk occurred? Assess for each category and use the highest score identified.

The impact scale is from an organisational level perspective. It reflects the key areas that if impacted could prevent the organisation achieving its priorities and objectives. The scale is a guide and cannot cover every type of impact therefore judgement is required.

Category	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Patient or Service user Experience	Reduced quality patient experience/clinical outcome not directly related to delivery of clinical care	Unsatisfactory patient experience/clinical outcome directly related to care provision – readily resolvable	Unsatisfactory patient experience/ clinical outcome, short term effects – expect recovery less than 1wk	Unsatisfactory patient experience /clinical outcome, long term effects - expect recovery over more than 1week	Unsatisfactory patient experience/clinical outcome, continued ongoing long term effects
Objectives/ Project	Barely noticeable reduction in scope/quality/ schedule	Minor reduction in scope/quality/schedule	Reduction in scope/quality/project objectives or schedule	Significant project overrun	Inability to meet project/corporate objectives, reputation of organisation seriously damaged
Injury /illness (physical and psychological) to	Adverse event leading to minor	Minor injury or illness, first aid treatment required	Agency reportable, e.g. Police (violent and aggressive acts)	Major injuries/long term incapacity /disability (e.g. loss of limb),	Incident leading to death(s) or major permanent incapacity

patient/service user/visitor/staff/carer	injury not requiring first aid		Significant injury requiring medical treatment and/or counselling	requiring, medical treatment and/or counselling	
Complaints/Claims	Locally resolved verbal complaint	Justified written complaint peripheral to clinical care	Justified complaint involving lack of appropriate care	Claim above excess level. Multiple justified complaints	Multiple claims or single major claim Complex Justified complaint
Service/ Business Interruption	Interruption in a service which does not impact on the delivery of patient care or the ability to continue to provide service	Short term disruption to service with minor impact on patient care/service provision	Some disruption in service with unacceptable impact on patient care Temporary loss of ability to provide Service.	Sustained loss of service which has serious impact on delivery of patient care resulting in major contingency plans being invoked	Permanent loss of core service/ facility Disruption to facility leading to significant "knock on" effect -- to function
Staffing and Competence	Short term low staffing level temporarily reduces service quality (less than 1 day) Short term low staffing level (>1 day), where there is no disruption to patient care	Ongoing low staffing level reduces service quality Minor error due to lack of/ ineffective training/ implementation of training	Late delivery of key objective/service /care due to lack of staff Moderate error due to lack of/ ineffective training / implementation of training Ongoing problems with staffing levels	Uncertain delivery of key objective/service/care due to lack of staff Major error due to lack of/ ineffective training / implementation of training	Non-delivery of key objective/ service/care due to lack of staff. Loss of key staff Critical error due to lack of/ ineffective training/ implementation of training
Financial (including Damage/Loss/Theft/ Fraud	Negligible organisational/ personal financial loss up to £1k	Minor organisational/ personal financial loss of £1-10K	Significant organisational/personal financial loss of £10-100k	Major organisational/personal financial loss of £100k-1m)	Severe organisational financial loss of more than £1m

Inspection/ Audit	Small number of recommendations which focus on minor quality improvement issues	Recommendations made which can be addressed by low level of management action	Challenging recommendations that can be addressed with appropriate action plan Improvement Notice	Enforcement/prohibition action Low Rating Critical report	Prosecution Zero rating Severely critical report
Adverse Publicity/ Reputation	Rumours, no media coverage Little effect on staff morale	Local media coverage – short term. Some public embarrassment Minor effect on staff morale/public attitudes	Local media – long term adverse publicity Significant effect on staff morale/public perception of the organisation	National media adverse publicity less than 3 days Public confidence in the organisation undermined Use of services affected	National/International media/ adverse publicity, more than 3 days MSP/MP/SEHD concern (Questions in Parliament) Court Enforcement/Public Enquiry/FAI

Likelihood	Consequences/Impact				
	Negligible	Minor	Moderate	Major	Extreme
Almost Certain	Medium	High	High	V High	V High
Likely	Medium	Medium	High	High	V High
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Medium	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

Review Timescales – When a risk rating has been assigned the criteria below should be used to assess the review timescales.

Very High or High	Requires monthly monitoring and updates.
Medium	Requires quarterly monitoring and updates.
Low	Requires 6 monthly monitoring and updates.



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 27 JUNE 2024

SUBJECT: INTERNAL AUDIT ANNUAL REPORT – 2023/24

BY: CHIEF INTERNAL AUDITOR

1. REASON FOR REPORT

1.1 This report provides the Audit, Performance and Risk Committee with details of internal audit work undertaken relative to the Moray Integration Joint Board (MIJB) for the financial year ended 31 March 2024, and the assurances available on which to base the internal audit opinion on the adequacy of the MIJB's systems of internal control.

2. RECOMMENDATION

2.1 **The Audit, Performance and Risk Committee is asked to consider the contents of the annual report given as Appendix 1 to this report and seeks clarification on any matters relating thereto.**

3. BACKGROUND

3.1 The purpose of this report is to present the Audit, Performance and Risk Committee with the Internal Audit Annual Report for the year to 31 March 2024 which includes the Chief Internal Auditor's independent assurance opinion on the adequacy of the MIJB's systems of internal control.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Audit Executive (CAE), the MIJB's Chief Internal Auditor, to provide an annual internal audit opinion and report on the adequacy and effectiveness of the MIJB's systems of governance, risk management and internal controls to support the preparation of the Annual Governance Statement. This is in support of the overall governance arrangements of the MIJB.

4.2 The report covers the year to 31 March 2024 and is provided as **Appendix 1**.

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

No direct implications.

(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 a summary overview of the nature and extent of audit work carried out during the year, and informs the annual internal audit opinion on the internal control environment operating within the MIJB.

Author of Report: Dafydd Lewis, Chief Internal Auditor
Background Papers: Internal Audit Files
Ref: mjb/ap&rc/27062024

APPENDIX 1



INTERNAL AUDIT

ANNUAL REPORT and OPINION

1 APRIL 2023 to 31 MARCH 2024

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SECTION 1 – INTRODUCTION

Purpose of this report

The Public Sector Internal Audit Standards (PSIAS) requires the Chief Internal Auditor to provide a written statement to inform the Annual Governance Statement. This report constitutes the required statement. In compliance with PSIAS, this report presents the opinion on the overall adequacy and effectiveness of the Moray Integration Joint Board (MIJB) risk management, control and governance processes based on the work the Internal Audit Section has performed. In addition, my evaluation will also include an assessment of reports issued by other review agencies. The scope of internal audit work, the responsibilities of Internal Audit and the assurance given on the adequacy and effectiveness of the internal control system of the MIJB are explained further in Section 4 of this report.

Responsibilities of Management and Internal Audit

It is management's responsibility to maintain systems of risk management, internal control and governance. Internal audit is an element of the internal control framework established by management to examine, evaluate and report on accounting and other controls over operations. Internal audit assists management in effectively discharging its responsibilities and functions by examining and evaluating controls. Internal audit cannot be held responsible for internal control failures.

The role of internal audit includes assessing the adequacy of risk management, internal controls and governance arrangements put in place by management, as well as performing testing on a sample of transactions to ensure those controls are operating for the period under review. The Audit and Risk Manager of the Moray Council is the appointed Chief Internal Auditor of the MIJB. The Moray Council's Internal Audit Section undertakes a proportion of available audit days to review the systems and practices of the MIJB. However, agreement is being sought to evidence the work undertaken by the Internal Audit Service Provider for NHS Grampian to support the annual internal opinion on the MIJB's internal control environment.

Public Sector Internal Audit Standards (PSIAS) require officers of the Internal Audit Section to communicate on a timely basis all facts and matters that may have a bearing on their independence. I can confirm that all staff members involved in the 2023/24 internal audit reviews were independent of operational processes and their objectivity was not compromised.

SECTION 2 –BASIS OF OPINION

My evaluation on the adequacy and effectiveness of the MIJB framework of governance, risk management and internal control is based on the following:

- The audit work undertaken by the Moray Council Internal Audit Service during the year to 31 March 2024.
- The governance statement signed by the Chief Officer of the MIJB for the year ended 31 March 2024.
- Reports issued by the MIJB's External Auditor and other external review agencies.
- My knowledge of the MIJB's governance, risk management and performance monitoring arrangements.

Assurance is also based on the wider audit work conducted by the Chief Internal Auditor in his capacity as the Audit and Risk Manager of the Moray Council.

SECTION 3- SUMMARY AND LIMITATIONS OF WORK THAT SUPPORTS THE OPINION

Progress on the 2023/24 internal Audit Plan

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. The annual audit plan presented to the Audit, Performance and Risk Committee describes in some detail the framework around which audit work is developed. In addition, the selection of audit topics was chosen with regard to corporate planning documents, budget data and information drawn from the corporate risk register and takes into account input from senior management regarding possible areas for audit.

The internal audit work has been conducted in accordance with an established methodology that promotes quality and conformance with the Public Sector Internal Audit Standards and the agreed Internal Audit Annual Audit Plan.

A summary of the audit projects completed from the MIJB Audit Plan is summarised as follows:

- An audit was undertaken to review that an appropriate system exists in the management of the Disabled Parking Permit Scheme. Disabled parking permits, also known as Blue Badges, allow eligible people to park close to amenities they would otherwise have difficulty accessing. The framework for administering the scheme is set by Transport Scotland, in addition to providing support to assist in consistent operating practices across all local authorities.
- The audit review found a number of improvements required in the administration of Blue Badges. An analysis of the Financial Management System found a significant shortfall in the income received compared to the Blue Badges issued in 2020/21. It is appreciated the extraordinary challenges faced by the Service during the pandemic, however it is of concern that invoices had not been issued during this period. The audit also noted a need for the Blue Badge Scheme Policy to be reviewed and updated to reflect current operating practices

- A review of the Occupational Therapy Store, now known as the Moray Integrated Community Equipment Store, was undertaken. Occupational therapy stock comprises aids and equipment issued to service users to help with various daily tasks, including cooking, dressing and bathing. The individual items of equipment held can vary in value from a few pounds to several thousand for certain types of hoists, specialised seating, etc. A particular feature of this store is that it also deals with returns of equipment that is no longer required, and where possible, this equipment is decontaminated and made available for reuse.
- The audit used the Chartered Institute of Public Finance (CIPFA) System Based Control Matrices as the basis for developing the audit programme. The audit reviewed the systems and controls for managing the store, covering purchases, issues, and storage of stock items. Significant findings were found where improvements are required to current operating arrangements. However, it is pleasing to report that the Service has agreed to all the recommendations.
- As part of the annual audit plan, an audit review was undertaken of the key controls in operation within Children's Services with regard to the external commissioning of social care services. Services delivered included contracts for preventative, support and restorative services, residential care and the commissioning of out of area residential placements required due to the limited capacity of specialised care within the Moray locality. Testing involved a review of the strategy and procedures relating to children's services commissioning, checking financial monitoring arrangements and an assessment of the effectiveness of contract management and monitoring practices. It is pleasing to report that overall, the audit found within the parameters of the audit scope that the delivery and management of children's social care commissioning services are well managed.
- Internal audit reports are regularly presented to members, detailing not only findings but also management's responses to the recommendations with agreed implementation dates. During the year, Internal Audit also reports to the Audit, Performance and Risk Committee follow up reviews to evidence the effective implementation of these recommendations. Follow-up reviews have been undertaken, including self-directed support financial review, client monies and social care & CareFirst system information governance. Unfortunately, it was found that a number of the recommendations had not been implemented, requiring revised dates of implementation to be agreed. These audits and the follow-up reviews to evidence the implementation of the recommendations have been a particularly time consuming commitment for the Internal Audit Section. However, it is pleasing to note that the Service is providing regular updates on the progress in implementing the recommendations detailed within the audit reports to the Audit, Performance and Risk Committee.

Governance - from a review of the Annual Governance Statement prepared for inclusion with the MIJB accounts, it was found to have been prepared in line with good practice guidance issued by CIPFA / SOLACE. The statement included an assessment of the effectiveness of governance arrangements within the MIJB regarding the seven principles of good governance identified within the guidance. It also referenced the governance processes of the principal partner bodies (NHS Grampian and Moray Council) as sources of additional assurance. It is also pleasing to note that a report to the Audit, Performance and Risk Committee on 29 June 2023 (item 4) agreed to an updated Local Code of Corporate Governance and the completion of a CIPFA Publication – Practical Guidance for Local Authorities and Police self assessment checklist of best practices for audit committees.

A review of the Moray Council's Chief Social Work Officer's annual report noted several governance arrangements to ensure effective service delivery. The quality of social work services is assured by Practice Governance meetings. However, the delegation of the Children and Families and Justice Social Work Services to the MIJB has provided an opportunity to ensure greater alignment of processes, and it is hoped this will provide benefits in the future delivery of social work and care services. However, the Chief Social Worker has detailed concerns regarding the future financial pressures the Service faces with increasing financial overspending and "a need to pull back in line with reducing budgets." In addition, the report also details difficulties in recruiting social workers and social care staff, resulting in additional workloads for officers. Moving forward, the Service has a number of significant challenges.

Further to an audit review of Adult Social Care Commissioning Service undertaken by KPMG Governance, Risk & Compliance Services and reported to the Audit, Performance and Risk Committee (item 11) on 30 March 2023. The need for this review was highlighted due to concerns raised by senior management of Health & Social Care Moray regarding administrative arrangements within the Adult Social Care Commissioning Service. It is pleasing to report that regular reporting has been undertaken to the Audit, Performance and Risk Committee on the progress of implementing the recommendations of improvements detailed within the audit report. It is hoped this progress will continue during 2024/25.

During the year, discussions have been held with the Internal Audit Provider for NHS Grampian that copies of the internal audit reports issued to NHS Grampian of interest to the MIJB are provided to the Chief Internal Auditor. The intention is to provide additional assurance of NHS systems and practices used to deliver MIJB delegated functions. This has proved challenging, and agreement is still being sought regarding amendments to the terms and conditions document from the Internal Audit Provider for NHS Grampian to allow me to receive copies of these reports and share findings from the reviews with the Audit, Performance and Risk Committee. Copies of these internal audit reports will support and evidence my annual opinion of the MIJB's governance and internal control systems. In my opinion, further development is required in the audit planning and transparency in the audit reporting of projects within NHS Grampian that are of interest to the MIJB.

Risk Management - procedures are well developed with a risk management policy and strategy in place, a risk appetite statement has been prepared, and a risk register has been reviewed and updated regularly. The Risk Register summarises the principal risks facing the organisation under nine themes; these themes focus on critical risk areas, including finance, environment and operational continuity, together with transformation risks associated with change and infrastructure risks given the reliance of the MIJB on support from both the Council and the NHS.

Statement on Conformance with the Public Sector Internal Audit Standards

The Local Authority Accounts (Scotland) Regulations 2014 require public bodies to operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing, the Public Sector Internal Audit Standards (PSIAS). A requirement of PSIAS is that an External Quality Assessment (EQA) is undertaken every 5 years.

As part of the Council's membership of the Scottish Local Authorities Chief Internal Auditors' Group, it was agreed that this EQA requirement would be met by each local authority internal audit service undertaking a review of another council and will thereafter receive a review in return. An EQA of the Moray Council's Internal Audit Section has recently been completed by Perth and Kinross Council. It is pleasing to report that the initial feedback provided has indicated full compliance

with PSIAS. A separate report of the assessment will be provided to the Audit, Performance and Risk Committee.

At the Special Meeting of the Moray Council on 28 February 2024, it was agreed to reduce the Internal Audit Section staffing budget by replacing the Corporate Investigations Officer's post with a 0.5 full-time equivalent. This is in addition to deleting an Assistant Auditor post in 2022/23. Further to additional funding secured and the remaining budget from the reduction of the Corporate Investigations Officer post, it has provided a sufficient budget to seek the appointment of a full time Assistant Auditor. I hope that appointing an Assistant Auditor can mitigate the risks associated with reducing staff resources while still maintaining the delivery of an effective internal audit service. However, Members should be aware that I still have serious concerns about the available staff resources to meet the auditing requirements and to support effective counter-fraud and corruption arrangements.

SECTION 4 – OPINION

Any system of control can only ever provide reasonable and not absolute assurances that control weaknesses or irregularities do not exist or that there is no risk of error, fraud, or breaches of laws or regulations. Furthermore, it is the responsibility of management to establish an appropriate and sound system of internal control and monitor its effectiveness. The Chief Internal Auditor is responsible for providing an annual assessment of the robustness of the internal control system. (Assurance was obtained in the interim form at the time of drafting this report from the Internal Audit Provider of NHS Grampian).

It is appreciated that the Service has made significant progress in implementing recommendations highlighted by the Internal Audit Section and from a review of how the Commissioning Service manages adult social care contracts. However, this work is still ongoing. After consideration, in addition to the findings from work carried out by Internal Audit during the year, it is my opinion that I can only provide limited assurance that the Moray Integration Joint Board has adequate systems of governance and internal control.

Dafydd Lewis
Chief Internal Auditor
30 May 2024



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 27 JUNE 2024

SUBJECT: EXTERNAL AUDIT PLAN FOR THE YEAR ENDING 2023/24

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

1.1 To inform the Committee of the Auditor's Annual Plan for 2023/24.

2. RECOMMENDATION

2.1 It is recommended that the Committee considers and notes the contents of the External Auditor's Annual Plan for 2023/24.

3. BACKGROUND

3.1 In September 2022, Grant Thornton was confirmed as the external auditor of the Moray Integration Joint Board (MIJB). The appointment was for financial years 2022/23 to 2026/27 inclusive.

3.2 Grant Thornton were appointed by the Accounts Commission to deliver the public audit for Moray, they will provide independent assurance to the people of Scotland that public money is spent appropriately and provides value. Audit work is carried out in accordance with International Standards on Auditing, the Code of Audit Practice <https://www.audit-scotland.gov.uk/publications/code-of-audit-practice-2021> and any other relevant guidance.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 An Annual Audit Plan for 2023/24 has been received from Grant Thornton and is attached at **APPENDIX 1** to this report. The Plan sets out the scope of the audit work and the auditors' approach to the audit. The Plan details the initial risks identified by Grant Thornton and planned work to be undertaken for the audit of the financial statements for the year ending 2023/24. Grant Thornton also aim to add value to the MIJB through its work.

4.2 The Audit Plan identifies the main risks for the MIJB which will be the focus of audit testing and are outlined in page 9 of the Plan. In order to assist with the

assessment of risk, an Informing the Audit Risk Assessment was completed by senior managers and is attached at **APPENDIX 2**.

- 4.3 On page 5 of the Audit Plan, Grant Thornton has shown the External Audit fee for 2023/24 as being £34,360 (£31,470 for 2022/23) and represents a 6% increase on the previous year.
- 4.4 The annual accounts timetable, including key deadlines are shown on page 7 of the audit plan and requires the MIJB to submit the Unaudited Annual Accounts along with supporting working papers to Grant Thornton by 30 June 2024 following consideration by those charged with governance at the meeting of the MIJB on 27 June 2024. The MIJB will be asked to approve the audited annual accounts and to consider the Annual Audit Report at its meeting of 26 September 2024.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and MIJB Strategic Commissioning Plan ‘Partners in Care’ 2022 – 2032

The work undertaken by External Audit seeks to provide assurance to the MIJB on the financial governance and resource management. It will express a view on the key risks to be managed in order to secure operational efficiency in line with the Strategic Plan 2022-32.

(b) Policy and Legal

The external audit is conducted in terms of statutory powers afforded to the appointed External Auditor and in accordance with Grant Thorntons Code of Practice.

(c) Financial implications

The annual audit fee set for 2023/24 by Grant Thornton and paid by the MIJB is £34,980.

(d) Risk Implications and Mitigation

The risks associated with the Audit Plan have been identified and categorised within the Plan on page 9.

(e) Staffing Implications

Preparation of the MIJB’s financial statements will require input and coordination from the MIJB Chief Financial Officer and the finance teams of both Moray Council and NHS Grampian which forms part of the scheduled work.

(f) Property

None arising directly from this report.

(g) Equalities/Socio Economic Impact

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

(h) Climate Change and Biodiversity Impacts

None arising directly from this report.

(i) Directions

None arising directly from this report.

(j) Consultations

The content of the Plan has been discussed with the Interim Chief Officer, Chief Internal Auditor and Senior Managers prior to production and their comments have been incorporated where appropriate.

6. CONCLUSION

6.1 The Annual Audit Plan informs the MIJB, its Committees and officers of the work to be undertaken by External Audit (Grant Thornton) in the year ahead.

Author of Report: Deborah O'Shea

Background Papers: with author

Ref:

Moray Integration Joint Board External Audit Plan

**Year ending
31 March 2024**

27 June 2024



Contents

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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 audit planning 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 the organisation 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.

Introduction

Purpose

This document provides an overview of the planned scope and timing of the external audit of Moray Integration Joint Board for those charged with governance.

We are appointed by the Accounts Commission as the external auditors of Moray Integration Joint Board for the five-year period 2022/23 to 2026/27.

Respective responsibilities

Audit Scotland has issued an updated Code of Audit Practice ('the Code') covering this audit appointment period. There are no significant changes in the scope of our work compared to the previous 2016 Code. However, the 2021 Code applies the requirement to communicate key audit matters to all bodies, but requires them to be reported in the Annual Audit Report.

The Code summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities, and that of the Moray Integration Joint Board are summarised in Appendix 1 of this Audit Plan. We draw your attention to this and the Code.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on Moray Integration Joint Board's financial statements, which have been prepared by management with the oversight of those charged with governance (the Audit, Performance and Risk Committee). Our audit of the financial statements does not relieve management or the Audit, Performance and Risk Committee of your responsibilities.

It is your responsibility to ensure that proper arrangements are in place for the conduct of your business, and that public money is safeguarded and properly accounted for. As part of our wider scope and Best Value work, we will consider how you are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of Moray Integration Joint Board and is risk based.



Plan overview

The audit plan sets out our risk-based audit approach for Moray Integration Joint Board. This plan outlines our initial risk assessment and is reported to those charged with governance (Audit, Performance and Risk Committee) and will be shared with Audit Scotland.

01 Materiality

We have calculated our planning materiality using prior year gross expenditure as per audited 2022/23 financial statements as our benchmark, resulting in the following:

- £3.376 million planning materiality is based on 2% of gross expenditure.
- Performance materiality of £2.532 million is based on 75% of planning materiality.
- Trivial of £0.169 million is based on 5% of materiality.
- A lower materiality has been determined as:
 - £25,000 for the auditable elements of the Remuneration Report.
- We will revisit our materiality throughout our audit including updating to reflect the draft unaudited financial statements for 2023/24.

02 Financial statement audit

At planning, in accordance with the ISA's (UK) and Practice Note 10 (Revised 2020) 'The Audit of Public Sector Financial Statements' issued by the Public Audit Forum we have identified the following significant financial statement audit risk:

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

We will communicate significant findings on this area as well as any other significant matters arising from the audits to you in our Annual Audit (ISA 260) Report.

03 Wider Scope and Best Value Audit

In accordance with the Code, our planning considers the wider scope and Best Value areas of audit.

We have identified the following wider scope significant risk and will conclude on this during the audit:

- **Financial sustainability – future financial plans for 2024/25 and beyond**

As part of our integrated wider-scope work, we also use a risk-based approach to assess and report on whether Moray Integration Joint Board has made proper arrangements for securing Best Value and is complying with its community planning duties.

Plan overview (continued)

04 Other audit matters

We summarise other audit matters for the Audit, Performance and Risk Committee's awareness. This includes:

- Consideration of going concern in accordance with Practice Note 10.
- In accordance with the Code and planning guidance we also required to complete and submit a number of information returns and other deliverables to Audit Scotland during the year.

05 Our Audit Fee

Audit fees were shared by Audit Scotland with Moray Integration Joint Board in January 2024. Our fee agreed with Moray Integration Joint Board is £33,360. This fee includes:

- Auditor remuneration £34,980
- Pooled costs £1,270
- Contribution to Performance Audit and Best Value costs £7,470
- Sectoral cap adjustment of -£10,360

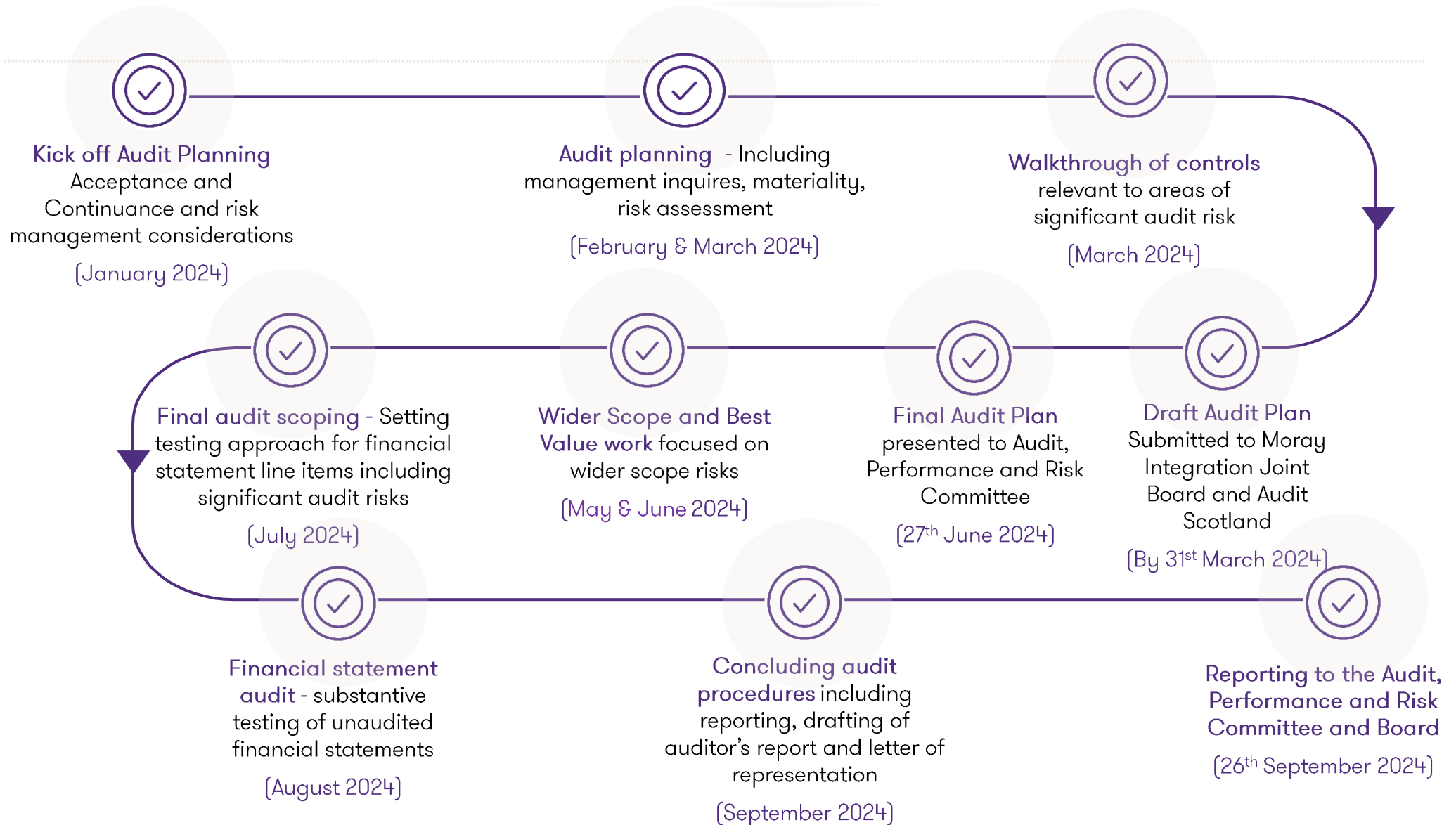
We reserve the right to review our fee during the audit should significant delays be encountered and/or new technical matters arise.

06 Adding Value Through the Audit

Our overall approach to adding value through the audit is clear and upfront communication, founded on our public sector credentials. We use our LEAP audit methodology and data analytics to ensure delivery of a quality audit.

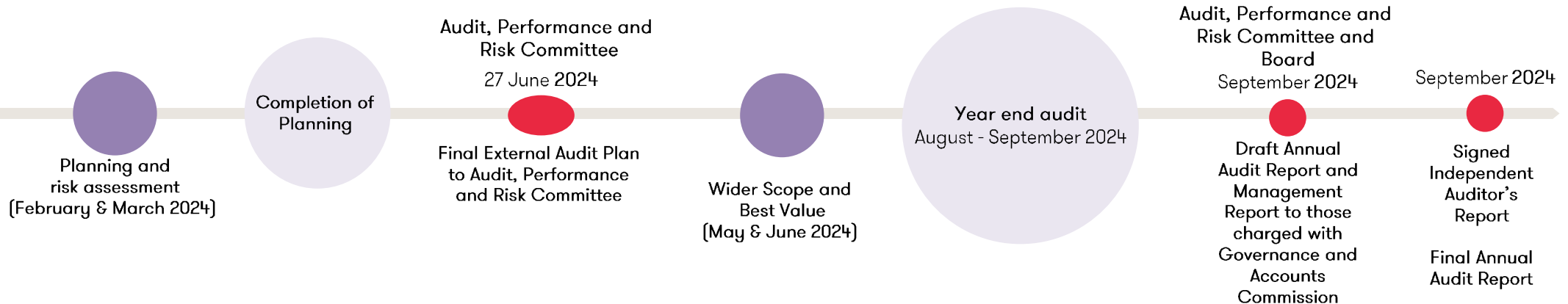
We have also invited members of your financial reporting team to our annual Local Government Chief Accountants workshop, which is led by our internal financial reporting technical team.

Audit approach



Audit timeline

We are required to submit audit plans to Audit Scotland by 31 March 2024, and it is anticipated that we will submit audited accounts and the Annual Audit Report by 30 September 2024. We have set out below our planned timescales for the Moray Integration Joint Board audit.



Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging our other audit engagements. Where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

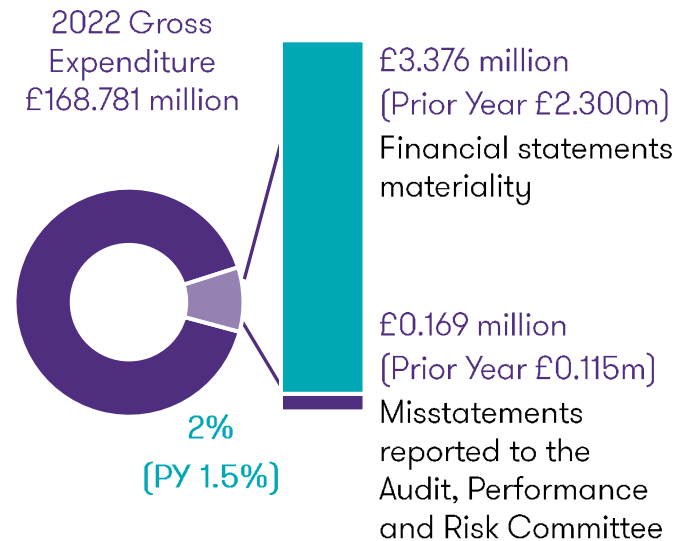
Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft accounts, comprising financial statements and related reports, of good quality, by the deadline you have agreed with us
- prepare good quality working papers which support the figures included in the financial statements, in line with the working paper requirements schedule that we have shared with you, and make these available to us at the start of the year end audit visit
- provide all agreed data reports to us at the start of the audit, which are fully cleansed and reconciled to the figures in the financial statements
- ensure that all appropriate staff are available to us for queries over the planned period of the audit, or as otherwise agreed
- respond promptly and appropriately to all audit queries, within agreed timescales.

Materiality

Financial statement materiality is determined based on a proportion of gross expenditure. We have determined **planning materiality** to be £3.376 million (Prior Year £2.300 million), which equates to approximately 2% of gross expenditure (Prior Year 1.5%) as per the 2022/23 audited financial statements.



Performance materiality represents the amount set for the financial statements as a whole to reduce the probability that the aggregate of uncorrected and undetected misstatements exceed materiality. We use this to determine our testing approach to the financial statements. We have set this at 75% of planning materiality (Prior Year 65%), giving a PM of £2.532 million (Prior Year £1.495 million). This is based on our understanding of Moray Integration Joint Board and our overall risk assessment procedures.

Materiality reflects our professional judgement of the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements.

We apply a separate lower materiality level in the following areas:

- £25,000 for the auditable elements of the Remuneration Report

Under ISA 260 (UK) 'Communication with those charged with governance', we are required by auditing standards to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. We have determined this threshold to be £0.169 million which is based on 5% of materiality (Prior Year £0.115 million, 5%)

We will reconsider our materiality based on the unaudited 2023/24 financial statements when received in June 2024. During the course of our audit engagement, we will continue to assess the appropriateness of our materiality.

Significant audit 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.

Management Override of Controls (as required by Auditing Standards – ISA (UK) 240)

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.

We will:

- Document our understanding of and evaluate the design effectiveness of management's key controls over journals;
- Analyse your full journal listing for the year and use this to determine our criteria for selecting high risk journals;
- Test the high risk journals we have identified;
- Gain an understanding of the critical judgements applied by management in the preparation of the financial statements and consider their reasonableness;
- Gain an understanding of the key accounting estimates made by management and carry out substantive testing on in scope estimates.
- Evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK) 315)

Significant audit risks (continued (1))

Risk of Fraud in Revenue (as required within Auditing Standards– ISA (UK) 240)

As set out in ISA (UK) 240 (Revised May 2021) there is a presumed risk that revenue may be misstated due to improper recognition of revenue in all entities.

Moray Integration Joint Board's income consists of partner funding contributions from Moray Council and NHS Grampian. The funding (income) is agreed by all parties in advance of the financial year. There is no resultant estimate or judgement in this income stream. Any additional income in year, from either Partner, is agreed with the Integration Joint Board in advance, in accordance with the Integration Joint Board Directions in place.

Having considered the risk factors set out in ISA 240 and the nature of the revenue streams at Moray Integration Joint Board, 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.

Risk of Fraud in Expenditure (as recommended in Practice Note 10)

As set out in practice note 10 (Revised 2020) '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.

Moray Integration Joint Board delegates services to Moray Council and NHS Grampian. A budget is agreed by all parties in advance of the financial year. It is up to the Council and the NHS Board to spend the delegated budget, as agreed with the Integration Joint Board.

Having consider the risk factor and the nature of expenditure at Moray Integration Joint Board, with there being no judgement or estimates in the recognition of expenditure, we have determined that the assumed risk of fraud in expenditure recognition can be rebutted as opportunities to manipulate expenditure recognition are deemed to be limited.

We will communicate significant findings on these areas, as well as any other significant matters arising from the audit to you, in our Annual Report to those Charged with Governance and the Accounts Commission for Scotland in September 2024.

Other matters

Auditor Responsibilities

We have a number of audit responsibilities as set out in the Code and Planning Guidance 2023/24 issued by Audit Scotland:

- We audit parts of your Remuneration Report, as required under the Code, and check whether these sections have been properly prepared (opinion).
- We read the sections of your Statement of Accounts which are not subject to audit and check that they are consistent with the financial statements on which we give an opinion (opinion).
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set out in Delivering Good Governance in Local Government: Framework (2016) (opinion).
- We consider our other duties under the Code and planning guidance (2023/24), as and when required, including:
 - Supporting Audit Scotland’s reporting to the Accounts Commission
 - Contributing to Audit Scotland Performance Reports and providing regular updates to Audit Scotland to share awareness of current issues
 - Contributing to the National Fraud Initiative (NFI) report
 - Notifying the Controller of the Audit when circumstances indicate a statutory report may be required
 - Completing mandated information requests and returns and notifying Audit Scotland of any cases of money laundering or fraud
 - Review of Technical guidance prior to issue by Audit Scotland..

Going concern assessment

As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on:

- whether a material uncertainty related to going concern exists; and
- the appropriateness of management’s use of the going concern basis of accounting in the preparation of the financial statements.

The Public Audit Forum has been designated by the Financial Reporting Council (FRC) as a “SORP-making body” for the purposes of maintaining and updating Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (PN 10). It is intended that auditors of public sector bodies read PN 10 in conjunction with (ISAs) (UK).

PN 10 was updated in 2020 to take account of revisions to ISAs (UK), including ISA (UK) 570 (Revised September 2019) on going concern. PN 10 allows auditors to apply a ‘continued provision of service approach’ when auditing going concern in the public sector, where appropriate. Audit Scotland’s also issued further guidance in a Going Concern publication in December 2020).

Within our wider scope work, we will conclude on Moray Integration Joint Board’s arrangements to ensure financial sustainability.

Other matters (continued (1))

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be considered as part of our audit. However, the procedures will not be as extensive as the procedures adopted for the significant risks we have identified and highlighted in this Audit Plan.

Internal control environment

During our initial audit planning we will develop our understanding of your control environment (design) as it relates to the preparation of your financial statements. In particular, we will:

- Consider key business processes and related controls
- Assess the design of key controls over all significant risks we have identified. This will include key controls over: journal entries and other material areas of management estimate and judgement.

Our focus is on design and implementation of controls only. We do not intend to assess or place any reliance on the operating effectiveness of your controls during our audit.

Financial reporting developments

We invited members of your finance team to our LG technical audit workshops earlier this year. In February 2024, one representative attended our workshop.

During our audit we will actively discuss emerging financial reporting developments with you.

Progress against prior year audit recommendation

As part of our final account's procedures, we will follow up on the implementation of prior year audit recommendations and report on progress against the recommendations in full within our Annual Audit Report.

Wider scope risks identified in planning (1)

Our responsibilities under the Code extend beyond the audit of the financial statements. The Code sets out four audit dimensions that frame wider scope into identifiable areas. These four dimensions have been slightly amended in the 2021 Code as shown in the table below.

2016 Code	2021 Code
Financial Sustainability	Financial Sustainability
Financial Management	Financial Management
Governance and transparency	Vision, Leadership and Governance
Value for Money	Use of Resources to Improve Outcomes

We consider each of these areas through our audit planning process and have set out below the identified areas of risk for our wider scope work.

From our initial planning work, we have identified one significant risk in relation to Financial Sustainability. We have not identified significant risks in relation to Financial Management; Vision, Leadership and Governance; and Use of Resources from our initial planning work. We will continue to review your arrangements before we issue our Annual Report.

Financial sustainability

Significant risk work area – future financial plans for 2024/25 and beyond

The Moray Integration Joint Board presented a working budget to the 28 March 2024 Board Meeting. The Revenue Budget for 2024/25 is £203.988 million which includes £13.917 million set aside services which represents Moray's share of the Large Hospital Services. The total funding provided totals £200.224 million, providing a budget deficit of £3.764 million. The budget setting for 2024/25 includes a savings plan totalling £9.530 million which was agreed at the Senior Managers Team meeting. The Integration Joint Board also need to identify further efficiency savings in order to close the budget deficit in 2024/25.

A finalised 2024/25 Revenue Budget will be presented to the 30 May 2024 Integration Joint Board meeting.

Wider scope risks identified in planning (2)

Financial sustainability (continued)

In line with Scottish Government guidance, Moray Integration Joint Board has prepared a Medium-Term Financial Framework covering 2023/24 – 2027/28. The financial pressures for 2024/25 and beyond are significant, with the total funding gap for the period currently projected to be £30.4m. The Integration Joint Board is preparing an updated Medium Term Financial Framework covering 2024/25 – 2028/29 which will be presented to the Board in May 2024. As part of our detailed wider scope work, we will review the updated financial framework to determine the future financial plans/position of the organisation.

We will seek to understand the future financial forecasts and plans for Moray Integration Joint Board for 2024/25 and beyond, including key assumptions used, scenario planning, sensitivity analysis, risk analysis and the extent of any budget pressures and any impact upon reserves. We will also consider the action Moray Integration Joint Board is taking to address identified funding gaps and associated savings plans.

Financial management

We have not identified a risk in relation to Moray Integration Joint Board's financial management from our initial planning work. Revenue budget monitoring reports are presented to the Board at the end of each quarter and provide clear and concise detail on the financial performance of the Integration Joint Board. At 31 December 2023, the financial position is that the Moray Integration Joint Board's core services are overspent by £7.111 million with a provisional outturn to 31 March 2024 of an £11.211 million overspend. Key areas of challenge include inflationary pressures and increased social care costs.

As part of the 2023/24 Revenue Budget, Moray Integration Joint Board identified efficiency savings of £4.141 million in order to achieve a balanced budget. An integral part of the savings plans were reduction of costs within prescribing, overspending and overtime of £1.5 million. The monitoring report presented to the March 2024 Board meeting confirmed that these savings will not be achieved in 2023/24.

We will seek to understand the effectiveness of Moray Integration Joint Board's budgetary control system in communicating accurate and timely financial performance, including the arrangements for identifying, monitoring and reporting of savings. We will consider the overall financial position reached by Moray Integration Joint Board and we will seek to understand the future financial implications of this.

Wider scope risks identified in planning (3)

Vision, Leadership and Governance

We have not identified a risk in relation Moray Integration Joint Board's arrangements for vision, leadership and governance from our initial planning work. Moray Integration Joint Board hold a committee-based structure which has delegated functions to several committees who subsequently become responsible for the administration of services. The Board have recently appointed a new permanent Chief Financial Officer, who had previously carried out the role on an interim basis.

We will review the effectiveness of your scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information. Our work will also include reviewing the consistency of your Governance Assurance Statement with the key findings from audit, scrutiny, and inspection.

We will continue to review your arrangements before we issue our Annual Report.

Use of Resources to Improve Outcomes

Integration Joint Board's need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency and effectiveness through the use of financial and other resources, and reporting performance against outcomes. We have not identified a risk in relation to Moray Integration Joint Board's use of resources to improve outcomes from our initial planning work.

We will review the arrangements that Moray Integration Joint Board has developed to address workforce challenges and improve performance, including Moray Integration Joint Board has in place to meet outcomes and improvement objectives, for working with strategic partners and communities and reporting performance against outcomes, financial and other resources.

Wider scope risks identified in planning (4)

Best Value

Under the new Code of Audit Practice, the audit of Best Value in Integration Joint Boards is fully integrated within the annual wider scope work performed by appointed auditors and their teams. Auditors are not expected to carry out detailed or separate work on the Best Value themes. It is acknowledged that as part of our review of arrangements embedded within our wider scope work, key aspects of the Best Value themes on Governance and Accountability and The Use of Resources will be covered. Our work will also include following-up on the prior year recommendation in respect of Moray Integration Joint Board developing its own assessment of Best Value made by your predecessor auditor (as reported on page 14).

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 audited body has made proper arrangements for securing Best Value. We have not identified any significant risks in relation to Moray Integration Joint Board's Best Value arrangements at the planning stage.

Integration Joint Boards have a statutory duty to have arrangements to secure Best Value. To achieve this, Board's should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives, and holding partners to account. Moray Integration Joint Board completed a self-evaluation exercise on the importance of securing best value, which was reported in June 2019, highlighting the need to 'develop better processes to evaluate and measure outcomes in line with Best Value'. This self-evaluation and the resulting action plan were revisited in April 2021 and an updated improvement action plan was approved in June 2021. Progress against this plan was reported to the Board meeting in January 2022 and a development session was held for members in February 2022.

Audit Fees

Across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing.

As a firm, we are absolutely committed to meeting the expectations of the FRC on audit quality and public sector financial reporting. This includes, for Audit Scotland contracts, meeting the expectations of the Audit Scotland Quality Team and the Scottish quality framework.

Audit fees were shared by Audit Scotland with Moray Integration Joint Board in January 2024. Our proposed audit fee was agreed with the Chief Financial Officer and will be presented to the Audit, Performance and Risk Committee on 27 June 2024, and this is set out on page 18 of this Audit Plan. Audit fees are paid to Audit Scotland who in turn pay us. We reserve the right to review our fee during the audit should significant delays be encountered and/or new technical matters arise.

Relevant professional standards

Audit Scotland set the baseline audit fee. We can increase the fee, from the baseline, for the inclusion of additional risks, new technical matters or specific client matters identified.

We are required to consider all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's Ethical Standard (revised 2019) which state that the Engagement Lead must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit Fees (continued)

Audit fees for 2022/23

Service	Fees £
External Auditor Remuneration	£34,980
Pooled Costs	£1,270
Contribution to Performance Audit and Best Value	£7,470
Sectoral cap adjustment	-£10,360
2023/24 Fee	£33,360

Additional Fees (Non-Audit Services)

Service	Fees £
At planning stage, we confirm there are no planned non-audit services	Nil

Fee assumptions

In setting the fee for 2023/24, we have assumed that you will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence for all critical and significant judgements and estimates made in preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- provide ongoing access to officers and management experts throughout the audit and timely responses to audit queries.

Adding value through the audit

Our overall approach to adding value through the audit is clear and upfront communication, founded on our public sector credentials and our LEAP audit methodology and use of data analytics to ensure delivery of a quality audit.

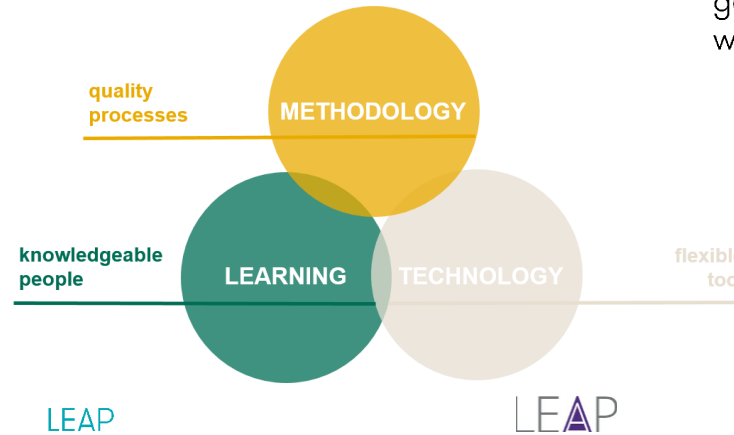
Our audit methodology is risk based and includes developing a good understanding of Moray Integration Joint Board. The diagram opposite summarises how our methodology and use of data adds value to our audit.

We comply with UK Auditing Standards and as a Firm we are regulated by the FRC. We take findings on audit quality seriously and continue to invest through our Audit Investment Plan, which is supported by a specific national Public Sector Investment Plan.

We comply with Audit Scotland's quality arrangements, including submitting an Annual Quality Report on our Audit Scotland portfolio. Audit Scotland's quality report for 2022/23 can be found on the [Audit Scotland website](#).

Our wider quality arrangements are set out in our annual transparency reports which are available on our website here: [Annual report 2022](#).

Use of audit, data interrogation and analytics software



LEAP

- A globally developed ISA-aligned methodology that re-engineers our audit approach to focus on quality and effectiveness
- LEAP empowers our engagement teams to deliver even higher quality audits, enables our teams to perform effective audits which are scalable to any client, enhances the work experience for our people and develops further insights into our clients' businesses
- The LEAP approach allows us to tailor the audit programme to help engagement teams respond quickly to any changes as they occur, keeping quality high through responsiveness and flexibility.

Info



Cloud based software which uses data analytics to identify trends and high-risk transactions, generating insights to focus audit work and share with clients.



REQUEST AND SHARE

- Communicate and transfer documents securely; Extract data directly from client systems; Workflow assignment and progress monitoring



ASSESS AND SCOPE

- Compare balances and visualise trends; Understand trends and perform more granular risk assessment



VERIFY AND REVIEW

- Automate sampling; Download automated work papers



INTERROGATE AND EVALUATE

- Analyse 100% of transactions quickly and easily; Identify high risk transactions for investigation and testing; Provide client reports and relevant benchmarking KPIs



FOCUS AND ASSURE

- Visualise relationships impacting core business cycles; Analyse 100% of transactions to focus audit on unusual items; Combine business process analytics with related testing to provide greater audit and process assurance



INSIGHTS

- Detailed visualisations to add value to meetings and reports

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Independence

Auditor independence

Ethical Standards and ISA (UK) 260 'Communication with Those Charged With Governance' require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the Firm, or covered persons, relating to our independence.

We encourage you to contact us to discuss any independence issues, with us and will discuss the matter with you if we make any significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors of Moray Integration Joint Board that we are required to report or wish to draw your attention.

We have complied with the Financial Reporting Council's Ethical Standard (Revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the 2019 Ethical Standard.

Our team complete annual fit and proper declarations, including independence confirmations, as well as confirming independence from individual audited bodies when completing timesheets. The work of our Ethics team is overseen by our Ethics partner and all staff undergo regular ethics training each year.

We confirm we are independent of Moray Integration Joint Board.

Non-audit services provided prior to appointment

Ethical Standards require us to draw your attention to relevant information on recent non-audit / additional services before we were appointed as auditor. We did not provide any non-audit or additional services to Moray Integration Joint Board prior to our appointment as auditors.



Responsibilities

The Code sets out auditor responsibilities and responsibilities of the audited body. Key responsibilities are summarised below. Please refer to the Code for further detail.

Moray Integration Joint Board

Your responsibilities include:

- Maintaining adequate accounting records and working papers
- Preparing accounts for audit, comprising financial statements, which give a true and fair view, and related reports
- Establishing and maintaining a sound system of internal control
- Establishing sound arrangements for proper conduct of affairs, including the regularity of transactions
- Maintaining standards of conduct for the prevention and detection of fraud and other irregularities
- Maintaining strong corporate governance arrangements and a financial position that is soundly based
- Establishing and maintaining an effective internal audit function.

External Audit

Our responsibilities include:

- Compliance with the FRC Ethical Standard
- Compliance with the Code and UK Auditing Standards (ISA's UK) in the conduct and reporting of our financial statements audit
- Compliance with the Code and guidance issued by Audit Scotland in the conduct and reporting of our wider scope and Best Value work
- Providing assurance on specified returns and other outputs (where required), as specified in guidance issued by Audit Scotland
- Liaison with and notifying Audit Scotland when circumstances indicate a statutory report may be required
- Notifying Audit Scotland of any known or suspected frauds greater than £5,000
- Contributing to relevant performance studies (as set out in Audit Scotland's Planning Guidance for 2023/24).



Communication

ISA (UK) 260 'Communication with Those Charged With Governance', as well as other ISAs set out prescribed matters which we are required to report to those charged with governance (the Audit, Performance and Risk Committee). Our reporting responsibilities are set out below. We communicate all matters affecting the audit on a timely basis, to management and/or the Audit, Performance and Risk Committee.

	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 Moray Integration Joint Board'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		•

Fraud responsibilities

ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements' came into force for accounting periods commencing on or after 15 December 2021. Requirements in ISA (UK) 240 (Revised May 2021) have been enhanced for the identification and assessment of risks of material misstatement due to fraud and the response to those risks.

The term fraud refers to intentional acts of one or more individuals amongst management, those charged with governance, employees or third parties involving the use of deception that result in a material misstatement of the financial statements. In assessing risks, the audit team is alert to the possibility of fraud at Moray Integration Joint Board.

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance including establishing and maintaining internal controls over the reliability of financial reporting effectiveness and efficiency of operations and compliance with applicable laws and regulations.

It is Moray Integration Joint Board's responsibility to establish arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions
- developing and implementing strategies to prevent and detect fraud and other irregularity
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity.

As auditors, we are required to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

As part of our risk assessment procedures, we are required to:

- identify and assess the risks of material misstatement in the financial statements due to fraud, including financial misreporting and misappropriation of assets.
- hold separate discussions with management, those charged with governance and others (as appropriate) to gain insights on their views of fraud.

Fraud responsibilities (continued)

During our audit work we will:

- design and implement appropriate audit procedures to respond to the risks of misstatement we have identified and reported in this Audit Plan
- remain alert to new risks and amend our risk assessments accordingly
- respond appropriately to any risks identified.

Throughout the audit we work with you to consider the significant risks we identify, including the operation of key financial controls. We also examine the policies in place, strategies, standing orders and financial instructions to ensure that they provide a strong framework of internal control. We will report to you any significant deficiencies we identify.

In addition, as set out in the Audit Scotland Planning Guidance 2023-24, we are required to:

- provide information on fraud cases to Audit Scotland on a quarterly basis
- communicate emerging issues to Audit Scotland, and
- contribute to the National Fraud Initiative report.

Anti-Money Laundering Arrangements

As required under the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 there is an obligation on the Accounts Commission (as set out in the Audit Scotland Planning Guidance for 2023-24) to inform the National Crime Agency if he knows or suspects that any person has engaged in money laundering or terrorist financing. Should we be informed of any instances of money laundering at Moray Integration Joint Board, we will report to the Accounts Commission as required by Audit Scotland.

IT audit strategy

ISA (UK) 315 (Revised July 2020): Identifying and Assessing the Risks of Material Misstatement Through Understanding of the Entity and its Environment' came into force for accounting periods commencing on or after 15 December 2021.

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Advance Business Solutions e5 System	Financial Reporting – Moray Council	<ul style="list-style-type: none"> ITGC Assessment
eFinancials	Financial Reporting – NHS Grampian	<ul style="list-style-type: none"> Review of Service Auditor Reports ITGC Assessment

During our audit we will complete an assessment of the design and implementation of relevant ITGCs

Future auditing developments

There are changes to the following ISAs (UK) which will impact on our LG audits for the first time in future years.

Revised standards applicable for audits of financial statement for periods commencing on or after 15 December 2022:

- ISQM (UK) 2 (Issued July 2021) 'Engagement Quality Reviews'
- ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'

Revised standards applicable for audits of financial statement for periods commencing on or after 15 December 2023.

- ISA (UK) 600 (Revised September 2022) 'Special Considerations- Audits of Group Financial Statements (including the work of component auditors)' - Applicable for audits of financial statement for periods commencing on or after 15 December 2023.
- IFRS 16 Lease will need to be implemented by local authorities from 1 April 2024. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions.

A summary of the impact of the key changes on various aspects of the audit is included on the next slides.

Future auditing developments (continued (1))

A summary of the impact of the key changes on various aspects of the audit is included below:

Area of change	Impact of changes
Quality control	<ul style="list-style-type: none"> ISQM 2 deals with the appointment and eligibility of the engagement quality reviewer (EQR) and the EQRs responsibilities relating to the performance and documentation of an engagement quality review. The objective of the firm, through appointing an EQR, is to perform an objective evaluation of the significant judgments made by the engagement team and the conclusions reached thereon. The objective of the auditor is to implement quality control procedures at the engagement level that provide the auditor with reasonable assurance that the audit complies with professional standards and applicable legal and regulatory requirements; and the auditor's report issued is appropriate in the circumstances.
Direction, supervision and review of the engagement	<ul style="list-style-type: none"> Greater responsibilities, audit procedures and actions are assigned directly to the engagement lead, resulting in increased involvement in the performance and review of audit procedures.
Definition of engagement team	<ul style="list-style-type: none"> The definition of engagement team when applied in a group audit, will include both the group auditors and the component auditors. The group auditor is required to determine the nature, timing and extent of involvement of component auditors in any group audit. Component auditors may increasingly be involved in all phases of the group audit. The group auditor should be sufficiently and appropriately involved in the work of component auditors throughout the group audit, including communicating clearly about the scope and timing of their work, and evaluating the results of that work.
Documentation	<ul style="list-style-type: none"> The amendment to these auditing standards will result in additional documentation requirements to demonstrate how these requirements of these revised standards have been addressed.

Future auditing developments (continued (2))

IFRS 16 Leases

Following further deferral of IFRS 16 Leases in Local Government, this accounting standard is now mandated for implementation by local government bodies from 1 April 2024 (although earlier adoption is permitted).

The new standard brings significant changes for lessee accounting. Key points that Moray Integration Joint Board will need to consider on transition include:

- The need to recognise the cumulative effects of initially applying IFRS 16 on the date of implementation as an adjustment to the opening balances of taxpayers' equity. (This means prior year comparators will not need to be restated).
- The need to recognise the right-of-use asset for leases previously classified as operating leases at an amount equal to the outstanding lease liability.
- No adjustments are needed for leases for which the underlying asset is of low value (less than £5,000 new) or where the lease term ends within 12 months.
- Assets where there is no or a below market rate peppercorn lease premium should be recognised as a right-of-use asset measured at current value in existing use or fair value as appropriate. Any difference between this and the lease liability will be recognised as part of the adjustment to the opening balances of taxpayers' equity.

- Irrecoverable VAT should not be included in the lease liability nor the value of the right of use asset.
- Existing finance lease and PFI liabilities that have an element based on an index or other rate will need to be reviewed and possibly amended as such variable payments are incorporated into the measurement of the lease liability under IFRS 16.
- In the year prior to implementation, the financial statements will need to disclose the anticipated impact of adopting IFRS 16 from 1 April of the following year.
- Systems will need to be in place to capture the relevant information for new leases entered into on or after implementation.

Moray Integration Joint Board will need to ensure that controls are in place to identify all of its contracts and any other arrangements which might contain the use of an asset, in order to ensure that the disclosures made in 2023/24 and accounting balances included within the body's 2024/25 financial statements are complete and accurate.

Informing the audit risk assessment for Moray IJB 2023/24

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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 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 your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. 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.

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Purpose

The purpose of this report is to contribute towards the effective two-way communication between Moray IJB's external auditors and Moray IJB's Audit Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit Committee under auditing standards.

Background

Under International Standards on Auditing (UK), (ISA(UK)) auditors have specific responsibilities to communicate with the Audit Committee. ISA(UK) emphasise the importance of two-way communication between the auditor and the Audit Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Audit Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit Committee and supports the Audit Committee in fulfilling its responsibilities in relation to the financial reporting process.

Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the IJB's oversight of the following areas:

- General Enquiries of Management
- Fraud,
- Laws and Regulations,
- Related Parties,
- Going Concern, and
- Accounting Estimates.

Purpose

This report includes a series of questions on each of these areas and the response we have received from Moray IJB's management. The Audit Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

General Enquiries of Management

Question	Management response
1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2023/24?	Underlying deficit for 23/24
2. Have you considered the appropriateness of the accounting policies adopted by Moray IJB? Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?	Accounting Policies are reviewed each year as the Accounts are prepared and changes incorporated where deemed necessary. No changes to accounting policies are anticipated for the 2023/24 accounts
3. Is there any use of financial instruments, including derivatives? If so, please explain	No
4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?	Not aware of any

General Enquiries of Management

Question	Management response
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	N/A
6. Are you aware of any guarantee contracts? If so, please provide further details	N/A
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	N/A
8. Other than in house solicitors, can you provide details of those solicitors utilised by Moray IJB during the year. Please indicate where they are working on open litigation or contingencies from prior years?	Brodies solicitors for the scheme of integration

General Enquiries of Management

Question	Management response
9. Have any of the Moray IJB's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	Not aware of any instances
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	None
11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	N/A

Fraud

Matters in relation to fraud

ISA (UK) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit Committee and management. Management, with the oversight of the Audit Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As Moray IJB's external auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud,
- process for identifying and responding to risks of fraud, including any identified specific risks,
- communication with the Audit Committee regarding its processes for identifying and responding to risks of fraud, and
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Audit Committee oversees the above processes. We are also required to make inquiries of both management and the Audit Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from Moray IJB's management.

Fraud risk assessment

Question	Management response
<p>1. Has Moray IJB assessed the risk of material misstatement in the financial statements due to fraud?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do the IJB's risk management processes link to financial reporting?</p>	<p>The MIJB has established risk management, governance and operating procedures to mitigate the risk of material misstatement in the financial statements.</p> <p>Agreed arrangements within the NHS for the investigation of fraud. In regard to the Council, Financial Regulations detail that all staff irregularities should be reported to the Audit and Risk Manager.(MIJB Chief Internal Auditor). This is supported by the Policy to Combat Fraud, Theft, Bribery and Corruption and the Whistleblowing Policy. In addition, the Council participates in the National Fraud Initiative data matching exercise and also publicises a point of contact to report fraud or irregularities involving the misuse of council resources. All irregularities and system reviews will be reported to the Audit, Performance and Risk Committee.</p> <p>The corporate risk register detailing the MIJB's principal risks are regularly reviewed by SMT, with an annual report provided to MIJB Board. Services are also required to maintain risk registers detailing identifiable risks and mitigating actions/controls. In addition, the Chief Internal Auditor (MIJB) also prepares a risk-based audit plan that considers the IJB's strategic objectives, associated risks and senior management's view.</p>
<p>2. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>Risk registers are also maintained by the parent organisations. Internal Audit will also review and test transactions to ensure compliance with Council Regulations and Procedures. The use of IDEA, a computer assisted software system is used to analyse and select a sample for testing.</p>
<p>3. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Moray IJB as a whole, or within specific departments since 1 April 2023? If so, please provide details</p>	<p>No irregularity known below the £5000 reporting threshold</p>

Fraud risk assessment

Question	Management response
<p>4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>Both the NHS and the Council have their own regulations regarding fraud. The NHS Counter Fraud Authority (NHSCFA) is a health authority charged with identifying, investigating and preventing fraud and other economic crimes within the NHS and the wider health group. The Council's Financial Regulations require that all irregularities be reported to the Audit and Risk Manager. The Audit and Risk Manager is also responsible for supporting the Council's risk management arrangements which includes regularly reviewing the principal risks facing the Council.</p> <p>Principal risks facing the MIJB are reviewed regularly by SMT and the corporate risk register is the accordingly updated</p>
<p>5. Have you identified any specific fraud risks? If so, please provide details</p> <ul style="list-style-type: none"> - Do you have any concerns there are areas that are at risk of fraud? - Are there particular locations within Moray IJB where fraud is more likely to occur? 	<p>As part of the risk-based approach to preparing the Annual Audit Plan the Chief Internal Auditor of the MIJB will consider fraud risks in determining the reviews to be undertaken. However, this only relates to Council funded services.</p>
<p>6. What processes do Moray IJB have in place to identify and respond to risks of fraud?</p>	<p>The NHS Counter Fraud Authority (NHSCFA) is responsible for identifying, investigating and preventing fraud within the NHS.</p> <p>The Council Financial Regulations detail that irregularities should be reported to the Audit and Risk Manager. This is supported by the Policy to Combat Fraud, Theft, Bribery and Corruption and the Whistleblowing Policy. In addition, the Council participates in the National Fraud Initiative data matching exercise and also publicises a point of contact to report fraud or irregularities involving the misuse of council resource</p>

Fraud risk assessment

Question	Management response
<p>7. How do you assess the overall control environment for Moray IJB, including:</p> <ul style="list-style-type: none"> the existence of internal controls, including segregation of duties; and the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	<p>The responsibility for developing and maintaining sound control environment rests with management. However, internal audit prepares a risk based audit plan which considers the MIJB's strategic objectives and associated risks. While the prevention of fraud and error rests with management through the design and operation of suitable systems of control, reviews undertaken by Internal Audit will make recommendations to improve the control environment.</p> <p>All officers are required to adhere to agreed policies and regulations.</p>
<p>8. Are there any areas where there is potential for misreporting? If so, please provide details</p>	<p>None noted</p>

Fraud risk assessment

Question	Management response
<p>9. How does Moray IJB communicate and encourage ethical behaviours and business processes of its staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>Established arrangements exist to communicate and encourage ethical behaviours and business processes of its staff and contractors. Managers have an ongoing responsibility for implementing effective systems of control which secure the legitimacy of expenditure, the safeguarding of assets and income, the reliability of management information, the accuracy of record keeping and compliance with statutory guidance. They are also responsible for communicating this policy to their staff and ensuring established systems are followed.</p> <p>As detailed, the NHS Counter Fraud Authority (NHSCFA) is responsible for identifying, investigating and preventing fraud and other economic crimes within the NHS and the wider health group. The Council has a Policy to Combat Fraud, Theft, Bribery and Corruption. This policy is built around a counter fraud culture supported by practices to deter and detect fraudulent and corrupt activities. It takes account of the Council's statutory obligations, including, and in particular, the provisions of the Bribery Act 2010. Council Financial Regulations detail that all irregularities should be reported to the Audit and Risk Manager. In addition, a Confidential 'whistle blowing' policy and procedure is in place, enabling employees to raise any concerns about any aspect of the Council's work without fear of victimisation, subsequent discrimination or disadvantage, and in the knowledge that such concerns will be properly investigated.</p>
<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>There is an expectation that all staff and elected board members will act within the law and with honesty and integrity at all times. In particular, all staff and elected board members are expected to refrain from engaging in fraudulent or corrupt activity of any kind and shall refrain from offering, making or accepting bribes, whether financial or otherwise.</p> <p>Governance standards promote values and behaviours for the MIJB that demonstrate how it will uphold good practice and high standards of conduct. These include codes of conduct for both elected board members and employees and reflect the principles of public life identified by the Nolan Committee, including selflessness, honesty and integrity. This also takes in the Duty (Public Service) and Respect principles added by the Scottish Government.</p>

Fraud risk assessment

Question	Management response
<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>None noted</p> <p>The Council participates in the National Fraud Initiative. This requires the submission of various data (including MIJB transactions) at prescribed intervals to the Cabinet Office. The information supplied is matched to similar data provided by other public bodies and then made available to the Council for use in data matching exercises designed to detect fraud and error.</p>
<p>12. What arrangements are in place to report fraud issues and risks to the Audit Committee?</p> <ul style="list-style-type: none"> - How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control? - What has been the outcome of these arrangements so far this year? 	<p>The Public Sector Internal Audit Standards (PSIAS) applicable to Local Government in Scotland requires Internal Audit to report functionally to the Audit, Performance and Risk Committee on various issues relative to the work of the Internal Audit Service, including special investigations.</p> <p>The Audit, Performance and Risk Committee has a remit which includes ensuring that the highest standards of probity and public accountability are demonstrated. This involves oversight of internal control processes as a contribution to good governance and generally supporting an anti-fraud, theft, corruption, and bribery culture. This Committee considers reports produced by Internal and External Audit on the IJB's systems; reports which include recommendations to strengthen internal controls and in turn reduce the risk of fraud and related behaviours going undetected.</p>
<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>None noted</p>
<p>14. Have any reports been made under the Bribery Act? If so, please provide details</p>	<p>None noted</p>

Law and regulations

Matters in relation to laws and regulations

ISA (UK) 250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Audit Committee, is responsible for ensuring that Moray IJB's operations are conducted in accordance with laws and regulations, including those that determine amounts in the financial statements.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Audit Committee as to whether the body is in compliance with laws and regulations. Where we become aware of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out below together with responses from management.

Impact of laws and regulations

Question	Management response
<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Moray IJB have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the IJB's regulatory environment that may have a significant impact on the IJB's financial statements?</p>	<p>Generally speaking each service area are familiar with the statutory regime in which they operate and will keep up to speed with developments through their professional associations such as CIPFA or SOLAR.</p> <p>Changes to legislation, consultations and guidance are notified to the IJB by the Scottish Government and are distributed to the relevant departmental area.</p> <p>The legal section has teams which specialise in different areas of Council activity and will be involved (at the request of client departments) in the implementation of more complex changes (such as formation of the IJB) and in any areas where legislation is unclear.</p> <p>Legal compliance will often be subject to external regulation (for example data protection).</p> <p>The IJB's Integration Scheme (detailing the powers given to officers to implement services under specified legislation) is reviewed annually in line with revised legislative powers, in consultation with client departments.</p>
<p>2. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>Overview of committee reports undertaken by Legal Services</p>
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2023 with an on-going impact on the 2023/24 financial statements? If so, please provide details</p>	<p>Not aware of any instances</p>
<p>4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details</p>	<p>None known</p>

Impact of laws and regulations

Question	Management response
5. What arrangements does Moray IJB have in place to identify, evaluate and account for litigation or claims?	The legal section has teams which specialise in different areas of activity and will be involved (at the request of client departments) in the implementation of more complex changes (such as formation of the MIJB) and in any areas where legislation is unclear. Where necessary external advice will be sought
6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details	None known

Related Parties

Matters in relation to Related Parties

Moray IJB are required to disclose transactions with bodies/individuals that would be classed as related parties. These may include:

- bodies that directly, or indirectly through one or more intermediaries, control, or are controlled by Moray IJB;
- associates;
- joint ventures;
- a body that has an interest in the authority that gives it significant influence over the IJB ;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the IJB , or of any body that is a related party of the IJB .

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the IJB's perspective but material from a related party viewpoint then the IJB must disclose it.

ISA (UK) 550 requires us to review your procedures for identifying related party transactions and obtain an understanding of the controls that you have established to identify such transactions. We will also carry out testing to ensure the related party transaction disclosures you make in the financial statements are complete and accurate.

Related Parties

Question	Management response
<p>1. Have there been any changes in the related parties including those disclosed in Moray IJB's 2023/24 financial statements?</p> <p>If so please summarise:</p> <ul style="list-style-type: none"> • the nature of the relationship between these related parties and Moray IJB • whether Moray IJB has entered into or plans to enter into any transactions with these related parties • the type and purpose of these transactions 	<p>No changes</p>
<p>2. What controls does Moray IJB have in place to identify, account for and disclose related party transactions and relationships?</p>	<p>Senior Officers and Elected Board Members make annual returns and members interests are regularly updated on the website, any significant factors that arise as part of this process would be factored into the Related Parties Note in the Annual Accounts.</p>
<p>3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?</p>	<p>Normal procedures following the parties authorisation policies would apply – transactions over agreed limits are checked by Chief Financial Officer or Director of finance</p>
<p>4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?</p>	<p>For significant transactions that are new and outside the normal course of business IJB Board approval is required.</p>

Going Concern

Matters in relation to Going Concern

The audit approach for going concern is based on the requirements of ISA (UK) 570, as interpreted by Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020). It also takes into account the National Audit Office's Supplementary Guidance Note (SGN) 01: Going Concern – Auditors' responsibilities for local public bodies.

Practice Note 10 confirms that in many (but not all) public sector bodies, the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the body's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist.

For this reason, a straightforward and standardised approach to compliance with ISA (UK) 570 will often be appropriate for public sector bodies. This will be a proportionate approach to going concern based on the body's circumstances and the applicable financial reporting framework. In line with Practice Note 10, the auditor's assessment of going concern should take account of the statutory nature of the body and the fact that the financial reporting framework for public sector bodies presume going concern in the event of anticipated continuation of provision of the services provided by the body. Therefore, the public sector auditor applies a 'continued provision of service approach', unless there is clear evidence to the contrary. This would also apply even where those services are planned to transfer to another body, as in such circumstances, the underlying services will continue.

For many public sector bodies, the financial sustainability of the body and the services it provides are more likely to be of significant public interest than the application of the going concern basis of accounting. Financial sustainability is a key component of value for money work and it is through such work that it will be considered.

Going Concern

Question	Management response
1. What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by Moray IJB will no longer continue?	Regular reporting on the IJB's Finances would highlight any conditions which may mean the MIJB is no longer to deliver statutory duties. Regular performance reports would also highlight this
2. Are management aware of any factors which may mean for Moray IJB that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?	Not aware of any
3. With regard to the statutory services currently provided by Moray IJB, does Moray IJB expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for Moray IJB to cease to exist?	The MIJB would expect to continue to deliver statutory services
4. Are management satisfied that the financial reporting framework permits Moray IJB to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements?	The annual accounts are prepared on a going concern basis and this will provide a faithful representation of the items included in the financial statements

Accounting estimates

Matters in relation to accounting estimates

ISA (UK) 540 (Revised December 2018) requires auditors to understand and assess a body's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the body's risk management process identifies and addresses risks relating to accounting estimates;
- The body's information system as it relates to accounting estimates;
- The body's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?

We would ask the Audit Committee to satisfy itself that the arrangements for accounting estimates are adequate.

Accounting Estimates - General Enquiries of Management

Question	Management response
1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?	None directly but the value of the pension liability from partner organisations would have implications
2. How does the IJB's risk management process identify and address risks relating to accounting estimates?	Managed by the partner organisations
3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	The results of prior year audits are looked at to see whether there was any material concerns raised or amendments made
4. How do management review the outcomes of previous accounting estimates?	As above
5. Were any changes made to the estimation processes in 2023/24 and, if so, what was the reason for these?	No changes

Accounting Estimates - General Enquiries of Management

Question	Management response
6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?	Each area is looked at in isolation and the relevant skills/knowledge/capacity considered
7. How does the IJB determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?	Ensuring that relevant information is provided on time and accurately to ensure that the information received can be relied upon.
8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?	Regular updates provided by preparers of the Accounts on any issues that arise
9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including: <ul style="list-style-type: none"> - Management's process for making significant accounting estimates - The methods and models used - The resultant accounting estimates included in the financial statements. 	The unaudited accounts are reported to Committee and then again upon completion of the audit. External Audit reporting also helps to inform on estimates.

Accounting Estimates - General Enquiries of Management

Question	Management response
10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?	Not aware of any
11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?	No major changes required to annual accounts in previous years
12. How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate ?	Annual accounts are reported

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Valuation of defined benefit net pension fund liabilities	Based on information from actuaries	Information provided to actuaries based on year end position reducing the need for use of estimates.	Yes	Disclosure in accounts regarding the changes that could happen and the impact it would have on the figures included in the accounts	No
Accruals	Based on actual entries in the ledger, or on information received from departments		No	In most cases based on actual ledger entries so no estimation . Where estimates are provided we know it will be based on professional judgement and we would query it it was materially different from estimates provided	No
Accrued income	Based on actual entries in the ledger, or on information received from departments		No	In most cases based on actual ledger entries so no estimation . Where estimates are provided we know it will be based on professional judgement and we would query it it was materially different from estimates provided	No





REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 27 JUNE 2024

SUBJECT: UNAUDITED ANNUAL ACCOUNTS

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

1.1 To inform the Committee of the unaudited Annual Accounts of the Moray Integration Joint Board (MIJB) for the year ended 31 March 2024.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- i) consider and scrutinise the unaudited Annual Accounts and recommend approval to the MIJB to be submitted to the external auditor, noting figures remain subject to audit, in Appendix 1;**
- ii) note the Annual Governance Statement contained within the unaudited Annual Accounts;**
- iii) note the accounting policies applied in the production of the unaudited Annual Accounts, pages 46 to 47 of the accounts; and**
- iv) note the updated Local Code of Corporate Governance which supports the Annual Governance Statement, in Appendix 2.**

3. BACKGROUND

3.1 The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 requires that an integration joint board is subject to the audit and accounts regulations and legislation of a body under Section 106 of the Local Government (Scotland) Act 1973.

3.2 The Local Authority Accounts (Scotland) Regulations 2014 (2014 Regulations), places a statutory obligation on the MIJB to submit draft Annual Accounts for the year ended 31 March 2024 to its external auditors by 30 June 2024 and the audited annual accounts are required to be approved by the MIJB and published by 30 September each year.

- 3.3 A copy of the unaudited accounts is attached at **Appendix 1**.
- 3.4 The MIJB has a statutory duty to conduct a review at least once in each financial year of the effectiveness of its system and to include a statement reporting the review within its Statement of Accounts. The MIJB does this through its Annual Governance Statement which is published as part of its Annual Accounts
- 3.5 The MIJB has established arrangements and continues to develop its governance framework 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. Reliance is placed on the NHS Grampian and Moray Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives; to the extent that these are complementary to those of the MIJB

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 The Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) which is underpinned by the International Financial Reporting Standards (IFRS).
- 4.2 Grant Thornton, under the Local Authority Accounts (Scotland) Regulations 2014 is required to complete their audit by 30 September 2024. The audited accounts and the External Auditor's report will be submitted to the MIJB at its meeting of 27 September 2024 prior to publication.
- 4.3 The Comprehensive Income and Expenditure Statement shows a deficit of £2.697m on the provision of services for the year. As at 31 March 2024, the Balance Sheet showed total Reserves of £1.983m. This decrease is primarily due to use of reserves during the year. Note 7 within the unaudited accounts breaks down the Reserves between what is General Reserve and available for utilisation and supporting the budget and what is earmarked for specific purposes.
- 4.4 The unaudited accounts are given at **Appendix 1** and consist of the following:

Management Commentary – provides the context through narrative that supports the financial statements. It describes the strategic intent of the MIJB, together with its performance through the year, highlighting areas of risk. It also provides some forward thinking on the forthcoming year and planned developments.

Remuneration Report – details the pay and pension benefits accrued by the MIJB senior officers during 2023/24.

Annual Governance Statement – is a means of reporting publicly on the MIJB's governance arrangements, and seeks to provide assurance that its business is conducted in accordance with law, regulations and proper practices and that public money is safeguarded and properly accounted for.

Financial Statements – provides detail of the main financial transactions through the Comprehensive Income & Expenditure Statement, Movement in Reserves Statement, and Balance Sheet.

Notes to the Accounts – explains the use of accounting policies and provides supporting information to the main financial statements.

- 4.5 As at 31 March 2024 there were significant variances between budget and actual on several services. These are evident in the summary on the major variances included within the Management Commentary on pages 15 to 16. More details were included in the separate report, Revenue Budget Outturn for 2023/24, reported to MIJB on 30 May 2024 (para 10 of minute refers).
- 4.6 In April 2016 an updated CIPFA/SOLACE 'Delivering Good Governance in Local Government: Framework' was published. The framework, whilst written in a local authority context, is applicable to integration authorities particularly as legislation recognises an IJB as a local government body under part VII of the Local Government (Scotland) Act 1973.
- 4.7 The Framework defines the principles that should underpin the governance arrangements and provides a structured approach. On 24 June 2021, the MIJB approved an updated Local Code of Corporate Governance based on the Framework and adopting the principles by which to evaluate performance (para 8 of minute refers). The principles as set out in the CIPFA/SOLACE Framework are:
- a. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law,
 - b. Ensuring openness and comprehensive stakeholder engagement,
 - c. Defining outcomes in terms of sustainable economic, social and environmental benefits,
 - d. Determining the interventions necessary to optimise the achievement of intended outcomes,
 - e. Developing the entity's capacity, including the capability of its leadership and the individuals within it,
 - f. Managing risk and performance through robust internal control and strong public financial management; and
 - g. Implementing good practices in transparency, reporting and audit to deliver effective accountability
- 4.8 The term 'Local Code' refers to the governance structure in place and is a statement of the policies and procedures by which functions are directed and controlled and how engagement with service users, the local community and other stakeholders is carried out. The collective policies and procedures of the MIJB constitute a Local Code of Corporate Governance
- 4.9 The MIJB can achieve good governance by demonstrating that its governance structures comply with the principles as set out in the Framework. Regular review is carried out to assess the MIJB's performance against the principles, identify areas for development and inform the Annual Governance Statement. **APPENDIX 2** displays the sources utilised in assessing MIJB's compliance against each governance principle. With regard to the partnership model of operation, reliance is also placed on the systems and procedures of Moray

Council and NHS Grampian and so for completeness, assurance sources are listed for these organisations

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 2022-2032”

The unaudited Annual Accounts have been completed and are available for audit inspection within the specified timescale.

(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. The MIJB's accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 which is underpinned by IFRS.

(c) Financial implications

The unaudited Annual Accounts provide all required information about the MIJB in relation to its financial position at 31 March 2024. The overriding principle in relation to annual accounts preparation is to provide a true and fair view.

(d) Risk Implications and Mitigation

There are no risk issues arising directly from this report. The unaudited Annual Accounts will be subjected to audit by external auditors, Grant Thornton, which will provide assurance that the Accounts for 2023/24 give a true and fair view of the financial position and expenditure and income of the MIJB for the year ended 31 March 2024.

Effective governance is essential in providing the framework for the MIJB to conduct its business. The annual review of governance arrangements aims to ensure that internal controls, risk management and associated governance arrangements are being constantly developed with the aim of providing reasonable assurance on the framework as a whole. Regular review and application of a Local Code of Corporate Governance supports this process

(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 change to policy as a result of this report.

(h) Climate Change and Biodiversity Impacts

There are no direct climate change and biodiversity implications.

(i) Directions

None arising directly from this report.

(j) Consultations

In preparation of the unaudited Annual Accounts, consultations have taken place between finance staff of both Moray Council and NHS Grampian. The Interim Chief Officer and other key senior officers have been consulted for comment where appropriate

6. CONCLUSION

6.1 The Annual Accounts, subject to audit, show an overspend on the provision of services of £2.697m for MIJB for the year ending 31 March 2024. At the beginning of the year the MIJB, held in its reserves £4.683m. The closing balance on the reserves as at 31 March 2024 is £1.986m, consisting wholly of reserves earmarked for specific purposes as detailed in the unaudited annual accounts 2023/24.

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

Background Papers: with author

Ref:

Moray Integration Joint Board



UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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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:



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 2023/24

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 (Left 28/9/2023)
Cllr. Peter Bloomfield	Moray Council
Cllr. Scott Lawrence	Moray Council
Cllr. John Divers	Moray Council (Left 28/9/2023)
Cllr Ben Williams	Moray Council (Joined 29/9/2023)

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 Lockhart	GP Lead
Dr Malcolm Simmons	GP Lead
Graham Hilditch	Third Sector Stakeholder (Left 23/1/2024)
Val Thatcher	Public Partnership Forum Representative (Left 17/10/2023)
Ivan Augustus	Carer Representative
Stuart Falconer	Grampian Health Board Staff Partnership (left 30/11/2023)
Kevin Todd	Moray Council Staff Representative (joined 3/4/2023)
Elizabeth Robinson	Public Health Representative
Deirdre McIntyre	Grampian Health Board Staff Partnership (joined 01/12/2023)

MORAY INTEGRATION JOINT BOARD MEMBERS 2023/24 Continued

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 (Left 31/12/2023)
Adam Coldwells	The Grampian Health Board (joined 1/1/2024)
Roddy Burns	Moray Council
Sonya Duncan	Interim 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) Primary Care Out of Hours service.

MANAGEMENT COMMENTARY (continued)

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 and Unpaid Carers, 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.

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 maintained/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

3

MANAGEMENT COMMENTARY (continued)

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, with increased investment 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.

A business as usual approach has been undertaken in the wake of the COVID 19 pandemic but initiatives to transform services in response to high levels of demand continue. The Moray Strategic Plan was refreshed in 2023 and along with the associated delivery plan highlights key priorities for transformation.

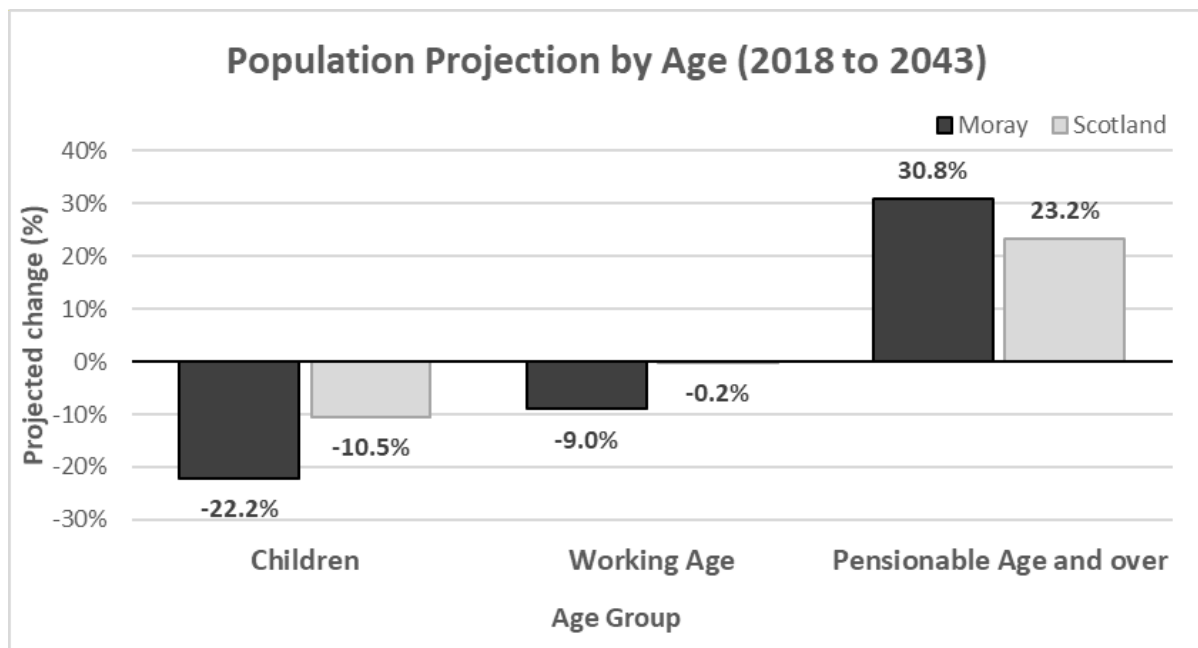
Population

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 2024 is 95,732. 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 30 September this year and will be published on the Health & Social Care Moray website, once approved by the MIJB.

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 five year period showing the number of delayed discharge bed days occupied varying significantly and with minimal seasonal pattern up to March 2024.

Delayed discharges reduced during COVID and in particular during the lock down periods, as people stayed in their own homes as per advice at the time and there was more availability of family members to support care needs. Notably, delayed discharges began to rise in Moray and across the country in March 2022 and work commenced across the three partnerships in Grampian to address the issue. Results in this activity can be seen from March 23 onwards. However, winter 2023 saw delayed discharges increasing, in Moray and across the country.

MANAGEMENT COMMENTARY (continued)

One of the successful actions taken in March 2023 to reduce the increasing delayed discharges was to implement a daily whole system Portfolio meeting. This multi-disciplinary meeting increases system pressure awareness and supports patient flow. Senior decision makers are present at the meeting to ensure any escalations are managed quickly and appropriately. It is an opportunity for system wide overview for both Moray and Grampian and allows participants to deploy available resources to the agreed priority areas. This has resulted in improved communication, better outcomes for patients and improved flow.

Nationally there has been a focus on Planned Date of Discharge, a system that has changed “medically fit” to “clinically fit”. This ensures that all services have been given the chance to carry out appropriate assessments and are in agreement that a person’s discharge is delayed.

The Hospital Discharge Team (Social Work Team) continue to work with all services to ensure that delayed discharges are appropriate on a daily basis and any issues or concerns are escalated to the daily Portfolio meeting.

The Number of Bed Days Occupied by Delayed Discharges 18+ at Census Datet			
Jun 23	Sept 23	Dec 23	Mar 24
732	845	1162	1501
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

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 March 2020 to March 2021. However, since Mar 21 there has been a consistent quarter on quarter increase to March 2023, which since then is starting to decrease quarter on quarter to March 2024.

With an ageing population the number of people delayed at any one time could increase unless action is taken. Additional surge beds have been in place across the Moray bed base, both in Dr Grays Hospital and our community hospital bed base. Presentations to hospital are from an older population with more acuity and complexity. Overall Grampian performs very well on a comparable basis to the rest of Scotland on delayed discharges, with performance in the lowest quartile on numbers, with Moray contributing to that performance. During 2024 to date Moray has improved its own position which reflects the significant focus this is receiving.

MANAGEMENT COMMENTARY (continued)

The importance of integration across the system is key to making progress, and over the year teams have enhanced communication and decision making as a Moray system. There has been further re4design of pathways and dedicated resource assigned to supporting critical decision making in social care. This has all supported the steady progress that is evident from the national comparisons of Moray's performance.

Rate of Emergency Occupied Bed Days for over 65's per 1000 Population			
Jun 23	Sept 23	Dec 23	Mar 24
2,699	2,628	2,598	2,509
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

Moray Integration Joint Board (MIJB)

The MIJB has scrutinised and directed the delivery of services in line with the Integration Scheme and Strategic Plan while recognising that the cost base has to change as the level of available budget in real terms is reducing. Both funding partners (Moray Council and NHS Grampian) have significant savings to achieve, and against this backdrop the MIJB directed a series of workshops during the year to support officers in their work. The focus has continued to be on achieving the highest quality and safety possible within a diminished budget, while being most efficient, and achieving the best outcomes for our residents. The Strategic Plan aspires to increasing spend on preventative work, "upstream" to tackle issues earlier, and a key challenge going forwards will be to continue that at a time when budgets are under so much pressure.

MANAGEMENT COMMENTARY (continued)

Performance

The MIJB, its committees and the Health and Social Care Partnership 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 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 biannually to 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 2022-2032 places 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. 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.

Staff Wellbeing

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

Menopause Monday – healthpoint led on the delivery of Monthly Monday drop ins for Dr Grays Hospital staff offering a range of resources and information on peri menopause, symptoms and treatment. 17 staff members have attended the sessions with positive feedback. The sessions have also generated an interest in other health and wellbeing topics.

Cedarwood Day Service contacted the team to request a health and wellbeing information session for staff with a focus on women's health. Resources were displayed alongside information signposting and healthpoint offered free mini lifestyle checks. 35 staff members attended the session with 2 going on to access further healthpoint support around weight management.

MANAGEMENT COMMENTARY (continued)

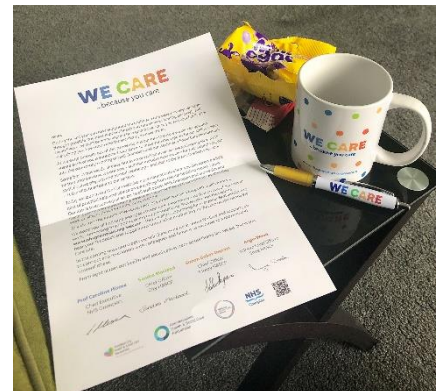
Promoting Health and Wellbeing

The Health Improvement Team deliver a broad range of health promotion initiatives in each locality across Moray aiming to reduce health inequalities and promote early intervention and prevention work. Activity is also supported by the use of the Mobile Information Bus allowing the team to deliver a service across Moray

NHS Grampian healthpoint service offers free information, support and advice on a range of health and wellbeing concerns including smoking cessation and weight management. The service works proactively to tackle health issues relating to self-care offering free information and advice on a number of health concerns for professionals and members of the general public. Healthpoint also offers an outreach service, in both clinical and non-clinical settings, within each locality in Moray providing an accessible health and wellbeing support service.

The team also attended events alongside partners, such as the MacMoray Festival, Moray Pride, DWP Job Fairs, Keith Show, Mum's Groups and community lunches, offering health and wellbeing advice and guidance in a range of settings.

The healthpoint team engaged with over 4000 people who were interested in health and wellbeing. These include health walks; confidence 2 cook; baby steps and grow well choices.



Service Delivery/Business as Usual

The healthcare system has responded to significant surges in demand. A pan Grampian approach to manage surge and flow through the system ensures patients/service users receive the care they require. Staff within Moray, across all sectors of health and social care, including independent providers and the third sector, have stepped up to the challenge on a daily basis. There is significant pressure in some service areas which will require a particular focus to work through the backlog of referrals, with plan being refined on how services will achieve this.

MANAGEMENT COMMENTARY (continued)

A range of initiatives are being introduced and tested as part of the wider portfolio Urgent and Unscheduled Care Improvement Plan that focuses on avoiding unnecessary hospital admissions and improving patient flow through the system. In parallel, in specialties where waiting times for elective surgery are long, e.g. Orthopaedics, General Surgery and Ophthalmology, alongside the small volume of cases we are providing locally, we are also offering Moray residents the opportunity to have their surgery provided in other regional and national centres where staffed theatre and bed capacity is available. The National Treatment Centre in Inverness has already started hip and knee replacement surgery for Grampian residents.

Vaccination Programme

The autumn / winter vaccination programme for Covid and Flu commenced in September 2023 and ran until the end of March 2024.

Covid-19 vaccination uptake for Moray was 60% which was above the Scottish average of 56.6% with the flu vaccination uptake over the same period across Moray being 58.3%, again above the Scottish average of 53.7%.



The priorities for Spring 2024 include the commencement of the Covid-19 spring booster programme which will commence on 2 April 2024 for eligible cohorts.

The shingles vaccination programme commenced in January 2024 which now requires 2 doses, with the 2nd dose offer commencing in March. The uptake of the shingles vaccine for priority groups as of 7 March detailed 65 year olds (68.3%) 70 year olds (72%) 50 year olds and those who are immunosuppressed (52.85%). Those between 71-79 years who have not been offered shingles vaccine previously have now been offered this but has to date had a lower uptake of 13.19%.

The pneumococcal program was brought forward to February 2024 commencing with those who are immunocompromised. Pre School and childhood immunisation schedule is continuing and now delivered within the vaccination centre. There has been additional planning within the vaccination service to support requests for the MMR vaccination given the recent concerns related to measles.

MANAGEMENT COMMENTARY (continued)

Volunteers

Health and Social Care Moray have now recruited over 200 volunteers supporting us across our NHS and Social Care services. Our volunteers support us in our hospitals, at home, and in the community. Our volunteers improve our patients journey and experience with us and support our staff through undertaking day to day non clinical tasks.

Frailty Pathway: Focus on Frailty

As part of a national initiative, Moray joined the Frailty Governance structure is now well established locally within Moray and is working well – progress is shared from both sub groups to the overarching strategic group. The continued vision for the Focus on Frailty work in Moray is to develop a broad frailty pathway which includes a community based frailty ‘triggers’ assessment and resultant actions (utilising an adaptation of the Making Every Opportunity Count (MEOC) tool), a primary care assessment and resultant interventions; and a secondary care frailty assessment and resultant intervention. Through research and development led by the Digital Health Institute develop and test 'Person Held Data Store'. We are currently testing with a sample group of 10 Unpaid Carers

General Practice Visioning Programme

Health and Social Care Moray along with the other two partnerships in Grampian have taken forward a programme to deliver a vision with associated strategic objectives for General Practice in Grampian, supported by the Scottish Government and NHS Grampian. The vision and objectives were approved by the three Integration Joint Boards in March 2024. The programme is now in the delivery phase, and will manage this collectively for the three partnerships through the Grampian General Practice Vision Programme Board. Updates will be reported to the 3 IJB's.

MANAGEMENT COMMENTARY (continued)

Longer Term Changes to Strategies and Plans

Home First

Work continues to develop the Home First portfolio of projects with a focus on ensuring projects are sustainable, scalable and meet the strategic objectives of the MIJB. Work is being undertaken in a Portfolio approach, pulling on the strengths and assets at a whole system level.

Efforts include a focus on reducing delayed discharges which has been very challenging to achieve despite the significant work of the team. Additional resource was allocated with two Band 6 Nurse Practitioners joining the Hospital Without Walls Team and an addition of a Career Start GP working one day a week working with the Geriatric team at DGH and Home First Team-

To maximise opportunities to support patient flow, a Moray wide Strategic Multidisciplinary Team meets to prioritise the available resource. A strategy group and operational group reviewing the challenges of Care at Home provision have both met with action plans developed.



Carers Strategy

Following the development and publication of the Moray Carers Strategy 2023-2026, the high-level actions set out in the strategy have been developed into the implementation plan to deliver on the three priorities which unpaid carers identified.

Recognition for Carers - We want carers to be able to say, 'I can identify as a carer. I am able to access the information and advice I need as a carer and I know and understand my rights'.

Valuing Carers - We want carers to be able to say, 'I am listened to and valued as an equal and expert partner by people working in health and social care. I am involved in the planning and delivery of services and support for myself and for the person/s I am caring for'.

Supporting Carers - Involving Carers as Equal, Expert and Valued, we want carers to be able to say, 'I am able to manage my caring role and reduce any negative impact on my health and wellbeing. I can access the support and services which are right for me. I am able to take a break from my caring role when I need to. I am not disadvantaged because I am a carer. I am able to achieve my own goals and maintain my education and/or employment'.

MANAGEMENT COMMENTARY (continued)

The implementation plan is a live document with new actions added as they are identified and indicators in place to support performance reporting. Project plans sit under the overarching implementation plan.

A carers voice group has been established to monitor the difference the strategy is making to unpaid carers in Moray.

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 first quarter in the financial year, the Board was presented with financial information that included a forecast position to the end of the year. In November 2023 the Board received a financial report which forecast an expected overspend to the end of the financial year of £3.02m. This forecast remained consistent throughout the remainder of the year and in December 2023, MIJB were forecasting an overspend to the end of the year of £3.02m, the MIJB actually outturned at £3.02m overspent. Both partners in line with the Integration Scheme, put in additional funding to cover this overspend, so with the use of ear marked reserves totalling £2.697m, leaves a balance of £1.986m in ear marked reserves to be carried forward into 2024/25. In March 2023, the MIJB agreed a savings plan of £4.141m. At the end of the financial year, this had been achieved in part.

Given the uncertainties associated with funding and the emerging overspend position at the early stage of the financial year, 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.

MANAGEMENT COMMENTARY (continued)

Service Area	Budget £000's	Actual £000's	Variance (Over)/ under spend £000's	Note
Community Hospitals & Services	7,605	7,942	(337)	
Community Nursing	5,544	5,701	(157)	
Learning Disabilities	15,748	18,366	(2,618)	1
Mental Health	11,047	11,506	(459)	
Addictions	1,849	1,726	123	
Adult Protection & Health Improvement	197	213	(16)	
Care Services Provided In-House	24,611	23,044	1,567	2
Older People Services & Physical & Sensory Disability	22,357	25,191	(2,834)	3
Intermediate Care & OT	1,640	1,881	(241)	
Care Services Provided by External Contractors	1,833	1,808	25	
Other Community Services	9,739	10,012	(273)	
Administration & Management	2,559	2,828	(269)	
Other Operational Services	1,221	1,300	(79)	
Primary Care Prescribing	18,651	21,339	(2,688)	4
Primary Care Services	19,776	19,939	(163)	
Hosted Services	5,359	5,936	(577)	
Out of Area Placements	720	1,777	(1,057)	5
Improvement Grants	940	949	(9)	
Childrens & Justice Services	19,762	19,762	-	
Total Core Services	171,158	181,220	(10,062)	
Strategic Funds & Other Resources	18,946	6,898	12,048	
TOTALS (before set aside)	190,104	188,118	1,986	
Set Aside	14,665	14,665	-	
TOTAL	204,769	202,783	1,986	

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 £2.618m at the end of 2023/24. The overspend is essentially due to the purchase of care for people with complex needs which resulted in an overspend of £2,727,867, client transport of £13,589. This is offset by more income received than expected of £109,728 (partly due to deferred payments); an underspend in clinical Speech and Language services, physiotherapy and psychology services of £10,544 and other minor underspends totalling £3,671. This budget has been under pressure for a number of years due to demographic pressures, transitions from Children’s services and people living longer and getting frailer whilst staying at home. The biggest overspends was for domiciliary care and day services this enables people to stay living at home or in a homely setting for as long as possible.

Note 2 Care Services Provided In-House – This budget was underspent by £1.567m 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 care services mainly due to transport costs and energy costs, software licences, uniforms and staff transport costs.

Note 3 Older People Services and Physical & Sensory Disability - This budget was overspent by £2.834m 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 and agency staff to provide care and support at Loxa Court. 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 Primary Care Prescribing - This budget was overspent by £2.688m. The overall continuing high price has been attributed in part to the impact of short supply causing an increase in costs being sustained. This is spread across a range of products. The actual volume of items to January has been lowering compared to prior year and was estimated to continue at this level to March 2024. The position has been adjusted to include an overall 4.00% volume increase for the year to March 2024. This overall volume increase is less than previously anticipated. 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 5 Out of Area Placements – This budget was overspent by £1.057m at the end of the year. This relates to an increase in patients requiring high cost individual specialised 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 2024 there were ear marked reserves of £1.986m available to the MIJB, compared to £6.683m at 31 March 2023. These remaining reserves of £1.986m are for various purposes as described below:

Earmarked Reserves	Amount £000's
Primary Care Improvement Plan & Action 15	33
GP Premises	229
Community Living Change Fund	319
National Drugs MAT	268
OOH Winter Pressure funding	172
Moray Cervical screening	35
Moray hospital at home	5
Moray Psychological	315
MHO Funding	138
Adult protection funding for CA	18
Adult Disability payment	45
National Trauma Training services	62
Moray ADP	22
Moray School Nurse	28
Moray Winter Fund HCSW & MDT	226
LD Annual Health Checks	69
Community Planning partnership	2
Total Earmarked	1,986
General Reserves	0
TOTAL Earmarked & General	1,986

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.

MANAGEMENT COMMENTARY (continued)

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 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.

Adult protection funding for care at home – balance of funding to build capacity in care at home community based services.

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.

Moray ADP – funding to support the delivery of services to reduce harms and deaths associated with alcohol and drugs.

Moray School nurse – funding to support NHS Grampian to retain school nurse posts.

MANAGEMENT COMMENTARY (continued)

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.

Community Planning Partnership – funding towards community planning partnership.

All reserves are expected to be utilised for their intended purpose during 2024/25.

Set Aside – Excluded from the financial performance table above on page 15 but included within the Comprehensive Income & Expenditure Account is £14.665m 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.

The budget allocated to Moray is designed to represent the consumption of these services by the Moray population.

The figures for 2023/24 have been derived by uplifting 2019/20 figures by baseline funding uplift in 2020/21 (3.00%), 2021/22 (3.36%) ,2022/23 (6.70%), and 2023/24 (5.35%):

	2023/24	2022/23	2021/22	2020/21	2019/20
Budget	14.665m	13.92m	13.04m	12.62m	12.252m

MANAGEMENT COMMENTARY (continued)

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 –

Budgets are delegated and managed by Service Managers with Head of Service oversight.

Vacancy controls are managed via the Resource Management Group.

The interim arrangement for Chief Financial Officer will cease on 31 March 2024 with the appointment being permanent from 1 April 2024.

Chief Financial Officer (CFO) and Senior Management Team (SMT) are working to continuously identify additional savings.

A reviewed Financial Framework was presented to MIJB on 30 March 2023, and a further update will be presented in March 2024.

Financial information is reported regularly to MIJB, Senior Management Team and Operational Management Team.

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

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

Additional Mitigations planned:

Regular financial workshops with Service Leads to identify further savings

Financial development session with MIJB members

Reporting from Resource Management Group to SMT for oversight of agreed spend

Financial workshops with OMT looking at savings options

(This section is in a slightly different format due to the transition to a new format for the Strategic Risk Register).

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. These are currently being worked through

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.

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.

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.

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

MANAGEMENT COMMENTARY (continued)

HIGH (continued)

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.

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.

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 partners might work together.

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.

Development Aims for 2024/25

Home First

The development of our Homefirst programme continues to be a priority for ongoing improvements in Moray. Delayed discharges will continue to be a focus of improvement work in relation to admission avoidance, hospital Emergency Department and front door activity, hospital pathways and discharge home. The Frailty programme and the partnership working with the Digital Health Institute brings additional opportunities to Moray.

Mental Health and Wellbeing

The Scottish Government Mental Health and Wellbeing Strategy and the Good Mental Health for All in Moray strategy 2016-2026 propose a comprehensive approach to mental health and wellbeing, integrating health and social care models. In partnership across Grampian further development will be taken forward to develop our service model and opportunities for improvements within the adult mental health pathway. Recognising the importance of the transitions process for children moving into adult services, further work is planned to ensure a seamless pathway between services.

Childrens Services

The improvement journey will require to evidence continued progress in light of the financial challenges to find new and creative ways to offer support to families and individuals. Early recognition when people need help and to prevent crises situations developing will be a priority. The recent outcome of the external inspection of Children at Risk of Harm gives us a good foundation for continuing that improvement journey, and meeting the actions we developed post that inspection will see further progress towards protecting children in Moray and giving them the best opportunities to thrive in our communities

MANAGEMENT COMMENTARY (continued)

In addition, we will seek to:

- Focus on prevention to create a more proactive system and develop sustainable models of care rooted in communities. This will be taken forward by listening and involving our local people with support of the Putting People First programme.
- Provide leadership and participation in the GP Visioning programme for Grampian
- Further develop our governance and assurance processes, particularly to demonstrate quality, safety, outcomes and best value.
- Continue to develop how we care for our staff well-being, with staff our most valuable asset.

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Tracy Colyer

Chair of Moray IJB

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Sean Coady

Interim Chief Officer

.....

Deborah O'Shea

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 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 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.

Signed on behalf of the Moray Integration Joint Board

Tracy Colyer

Chair of Moray IJB

STATEMENT OF RESPONSIBILITIES (continued)

Responsibilities of the Chief Financial Officer

The 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 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 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 2024 and the transactions for the year then ended

Deborah O'Shea FCCA

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 2022/23	Name	Position Held	Nomination By	Taxable Expenses 2023/24
£				£
-	Dennis Robertson	Vice-Chair 29/04/21 – 01/10/22 Chair 1/10/22 to 31/03/24	Grampian Health Board	-
-	Cllr Tracy Colyer	Chair 15/05/22 – 01/10/22 Vice-Chair 01/10/22 – 31/03/24	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 2022/23	Senior Employees	Salary, Fees & Allowances	Total 2023/24
£		£	£
111,100	Simon Bokor-Ingram Chief Officer	122,460	122,460
80,207	Deborah O'Shea Interim Chief Financial Officer	83,476	83,476

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 2023/24

REMUNERATION REPORT (continued)

	In Year Pension Contributions		Accrued Pension Benefits		
	Year to 31/03/23	Year to 31/03/24		As at 31/03/2024	Difference from 31/03/2023
	£	£		£ 000's	£ 000's
Simon Bokor-Ingram, Chief Officer	23,220	24,346	Pension	46	(1)
			Lump Sum	123	35
Deborah O'Shea Interim Chief Financial Officer	11,716	7,179	Pension	28	3
			Lump Sum	21	2

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 2022/23	Remuneration Band	Number of Employees in Band 2023/24
1	£80,000 - £84,999	1
1	£110,000 - £114,999	-
-	£120,000 - £124,999	1

REMUNERATION REPORT (continued)

Exit Packages

There were no exit packages agreed by the MIJB during 2023/24 financial year, or in the preceding year.

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Tracy Colyer

Chair of Moray IJB

.....

Sean Coady

Interim 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

All of the scheduled Audit Performance and Risk and Clinical Care Governance Committee meetings were held as timetabled during 2023/24.

Health and Social Care Moray (HSCM) established an emergency response group that has been operational since the end of March 2020, this has now transformed into a Daily Response meeting. Representation on the 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.

There continues to be governance standards and collaborative working across the whole system, both across the NHS Portfolios and Grampian wide system. 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.

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 2023/24 year the meetings continued to be hybrid meetings, as the need to broadcast live Board meetings continued. A specific website 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 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 was developed. which is supported by various documents including a medium term financial framework
- 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 within the current financial envelope.
- 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 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 Service Managers, Officers and IJB Members attended a Development session in February to discuss the challenging financial situation. Officers presented some ideas for service transformation, including how they delivered the strategic aims of MIJB but also how they might help achieve the savings required for the forthcoming financial year.
- 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. The committee agreed in October that the register would only be presented biannually with the caveat that any emerging or increasing risks would be presented as required. The financial strategic risk register has been presented to each committee.
- 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 2023/24.

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 2026. 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 2023/24 agreed to the following audits to be undertaken:

- **Commissioning Services** - Review the arrangements for the commissioning of social care services for children to ensure these are designed and delivered to meet the specified needs and demonstrate best value.
- **Disabled Parking System** - Review the system for administering the disabled parking permits, also known as Blue Badges.
- **Moray Integrated Community Equipment Store** - A review of the Occupational Therapy Store, now known as the Moray Integrated Community Equipment Store, to ensure appropriate accounting systems are followed.

ANNUAL GOVERNANCE STATEMENT (continued)

All audits have been undertaken and reported to the MIJB Audit, Performance and Risk Committee. A review of the commissioning for children's care services found that within the scope of the audit, it was well-managed. The audits of the Disabled Parking System and the Moray Integrated Community Equipment Store noted significant findings where improvements are required to current operating arrangements. In addition to the planned audits, reviews of Moray Council's financial and administrative systems were reported to the MIJB Audit, Performance and Risk Committee.

Internal Audit has also undertaken follow-up reviews to evidence the implementation of recommendations from the audits undertaken of Self-Directed Support, Client Monies, and Social Care & CareFirst System Information Governance. The demands on the Service are appreciated. However, it was found that recommendations had not been implemented within the agreed timescales. Implementation of recommendations is a key element in determining the adequacy and effectiveness of governance and internal control systems. If recommendations are not implemented in a timely manner, then weaknesses in control and governance frameworks will remain in place. It is pleasing to note that the Service has provided update reports to the MIJB Audit, Performance and Risk Committee detailing progress in implementing audit recommendations, including the review undertaken by an external auditor of the Adult Social Care Commissioning Service. This commitment to implementing audit recommendations is expected to continue in 2024/25.

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 2024.

Prior Year Governance Issues

The Annual Governance Statement for 2022/23 highlighted a number of areas for development in looking to secure continuous improvement. An assessment of progress is provided below:

ANNUAL GOVERNANCE STATEMENT (continued)

Area for Improvement Identified in 2022/23	Action Undertaken / Progress Made in 2023/24
Assurance and reporting for Children's Social Work and Justice services.	Move to IJB saw a shadow year with reporting to both IJB and Moray Council. The service has strengthened the work under taken by the policy and procedure team and the service has developed a data dashboard.
Performance reporting at management level and IJB APR Committee	Performance reporting continues to IJB APR Committee. Children & Justice service are also included in this reporting schedule. A new collaborative approach is being taken forward to work with Aberdeen City to develop the performance reporting.
Development of Strategic Risk Register for the IJB	The Financial Strategic risk register was developed and presented to IJB for approval in January 2024. Subsequent updates have been presented to the IJB in conjunction with the ongoing financial recovery work. The remaining registers are being developed and will be presented to IJB in June 2024.
IJB Category 1 responder status and Care for People Plan	A Care for People Operational Framework was presented to IJB in January 2024. Several training and development sessions have taken place during 2024 to provide additional support to managers. A short life working group is in the process of being set up to continue to ensure a whole partnership approach.
Delivery against the strategic objectives in IJB Strategic Plan	Across the three strategic themes progress on several programmes has evidenced the commitment to the Strategic Plan, including the work to support Unpaid Carers; the Home First and Frailty work' and the efficiency agenda that builds in resilience as we deliver better value.

ANNUAL GOVERNANCE STATEMENT (continued)

Area for Improvement Identified in 2022/23	Action Undertaken / Progress Made in 2023/24
Compliance with audit recommendations and completion of outstanding actions	Improvement on progress has been evidenced, however, this area of improvement requires further development and will be included for developments in 2024/25

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 2024/25
1.	GP visioning programme to deliver resilience and sustainability
2.	Financial sustainability with best value and outcomes
3.	Assurance and reporting for Children's Social Work and Justice Services
4.	Improvement in compliance with audit recommendations

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 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 Planning 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;
- Continue to implement the recommendations of internal and external audit, including learning from national reviews.
- Continue work with teams to provide assurance to MIJB as we develop the governance structures for Children's Social Work and Criminal Justice Services that support decision making on how best to tackle poverty and inequalities.

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 legacy of the Covid 19 pandemic 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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Tracy Colyer
Chair of Moray IJB

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Sean Coady
Interim Chief Officer

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year ended 31 March 2024 according to generally accepted accounting practices.

2022/23		2023/24
Net Expenditure		Net Expenditure
£ 000		£ 000
5,990	Community Hospitals	7,942
5,163	Community Nursing	5,702
12,626	Learning Disabilities	18,366
10,295	Mental Health	11,506
1,588	Addictions	1,726
167	Adult Protection & Health Improvement	213
18,486	Care Services Provided In-House	23,044
23,441	Older People & Physical & Sensory Disability Services	25,191
1,768	Intermediate Care and Occupational Therapy	1,881
8,084	Care Services Provided by External Providers	1,808
9,208	Other Community Services	10,012
2,425	Administration & Management	2,828
1,286	Other Operational services	1,299
19,283	Primary Care Prescribing	21,339
19,058	Primary Care Services	19,939
5,018	Hosted Services	5,936
1,232	Out of Area Placements	1,777
888	Improvement Grants	949
-	Children & Justice Services	19,762
8,858	Strategic Funds & Other Resources	6,898
13,917	Set Aside	14,665
168,781	Cost of Services	202,783
(156,443)	Taxation and Non-Specific Grant Income (note 5)	(200,086)
12,338	(Surplus) or Deficit on provision of Services	2,697
12,338	Total Comprehensive Income and Expenditure	2,697

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 2023/24	General Fund Balance £000
Opening Balance at 1 April 2023	(4,683)
Total Comprehensive Income and Expenditure	2,697
<hr/>	
(Increase) or Decrease in 2023/24	2,697
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Closing Balance at 31 March 2024	(1,986)
<hr/>	
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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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 2023 £000		Notes	31 March 2024 £000
4,683	Short Term Debtors Current Assets	6	1,986
-	Short Term Creditors Current Liabilities		-
-	Provisions Long Term Liabilities		-
<u>4,683</u>	Net Assets		<u>1,986</u>
4,683	Usable Reserve General Fund	7	1,986
<u>4,683</u>	Total Reserves		<u>1,986</u>

The unaudited annual accounts were issued on 30 June 2024.

The Annual Accounts present a true and fair view of the financial position of the MIJB as at 31 March 2024 and its income and expenditure for the year then ended.

Deborah O'Shea FCCA

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 2023/24 financial year and its position at the year-end of 31 March 2024.

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 2023/24, 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 Events after the Reporting Period

The unaudited accounts were issued by Deborah O'Shea, Chief Financial Officer on 29 June 2024. Events taking place after this date are not reflected in the financial statements or notes.

Note 4 Expenditure and Income Analysis by Nature

2022/23		2023/24
£000		£000
71,899	Services commissioned from Moray Council	95,504
96,852	Services commissioned from The Grampian Health Board	107,247
30	Auditor Fee: External Audit Work	32
168,781	Total Expenditure	202,783
(156,443)	Partners Funding Contributions and Non-Specific Grant Income	(200,086)
12,338	(Surplus) or Deficit on the Provision of Services	2,697

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5 Taxation and Non-Specific Grant Income

2022/23		2023/24
£000		£000
59,517	Funding Contribution from Moray Council	84,615
96,926	Funding Contribution from The Grampian Health Board	115,471
156,443	Taxation and Non-specific Grant Income	200,086

The funding contribution from The Grampian Health Board shown above includes £14.665m 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. The funding contribution from Moray Council has increased in 2023/24 due to the integration of Children's Social Work and Justice Services.

Note 6 Debtors

31 March 2023		31 March 2024
£000		£000
2,846	The Grampian Health Board	1,723
1,837	Moray Council	263
4,683	Debtors	1,986

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 2022	1,257	2,331	9,016	4,417	17,021
Transfers (out)/in 2022/23	(1,257)	(1,394)	(9,016)	(671)	(12,338)
Balance at 31 March 2023	-	937	-	3,746	4,683
Transfer out 2023/24	-	(904)	-	(1,793)	(2,697)
Transfers in 2023/24	-	-	-	-	-
Balance at 31 March 2024	-	33	-	1,953	1,986

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 in 2022/23.

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:

2022/23		2023/24
£000		£000
10,139	Expenditure on Agency Services	10,615
(10,139)	Reimbursement for Agency Services	(10,615)
-	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

2022/23		2023/24
£000		£000
(96,926)	Funding Contributions received from the NHS Board	(115,471)
96,695	Expenditure on Services Provided by the NHS Board	107,064
157	Key Management Personnel: Non-Voting Board Members	183
(74)	Net Transactions with The Grampian Health Board	(8,224)

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
2023		2024
£000		£000
2,846	Debtor balances: Amounts due from The Grampian Health Board	1,723
2,846	Net Balance due from The Grampian Health Board	1,723

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9 Related Party Transactions (continued)

Transactions with Moray Council

2022/23		2023/24
£000		£000
(59,517)	Funding Contributions received from the Council	(84,615)
71,852	Expenditure on Services Provided by the Council	95,455
77	Key Management Personnel: Non-Voting Board Members	81
12,412	Net Transactions with Moray Council	10,921

Balances with Moray Council

31 March		31 March
2023		2024
£000		£000
1,837	Debtor balances: Amounts due from Moray Council	263
1,837	Net Balance due from Moray Council	263

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 2023/24 financial statements.





LOCAL CODE OF CORPORATE GOVERNANCE

APPENDIX 2

GOVERNANCE PRINCIPLES		
Principle A Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law		
SOURCES OF ASSURANCE		
MIJB	MORAY COUNCIL	NHS GRAMPIAN
Code of Conduct	Codes of Conduct	Codes of Conduct
Financial Regulations (Nov 2023)	Financial Regulations & Authorisation policy	Standing Financial Instructions
Standards Officer Appointment (April 2024)	Scheme of Administration	Schedule of Reserved Decisions
Standing Orders (May 2022)	Standing Orders	Operational Scheme of Delegation
Register of Interests	Human Resources Policies	Standing Orders
Scheme of Administration (June 2018)	Scheme of Delegation	Human Resources Policies (and Once for Scotland policies around Employee Conduct)
Integration Scheme (Mar 2023)	Register of Interests	Staff Governance Committee
Updated IJB Report Format (Sept 2022)	Integrity Group	Register of Interests
Information Commissioners Officer Registration	Employee Induction Process	Feedback Service
Duty of Candour Arrangements	Computer Use Policy	Staff Surveys
Whistleblowing Standards	Duty of Candour Arrangements	Employee Induction Process
Members handbook (2020)	Monitoring Officer Annual Report	SLT Compliance Sub Group
Care for People Plan	Staff Engagement Programme	Duty of Candour Arrangements
	E-Learning module on GDPR	Policy for the Prevention, Detection and Investigation of Suspected Fraud, Theft or Corruption
	Whistleblowing policy	Whistleblowing Policy



LOCAL CODE OF CORPORATE GOVERNANCE

GOVERNANCE PRINCIPLES		
Principle B		
Ensuring openness and comprehensive stakeholder engagement		
SOURCES OF ASSURANCE		
MIJB	MORAY COUNCIL	NHS GRAMPIAN
Strategic Plan (2022-2032)	Community Consultation & Engagement	Annual Delivery Plan (includes Financial Plan)
Performance Management Framework	Complaints Procedures & Responses	Performance Management Framework
Annual Performance Report	Use of Social Media	Freedom of Information Compliance
Communications & Engagement Strategy	Freedom of Information Compliance	Feedback Service
Community Consultation	Locality Planning	Population Health Committee
Third Sector Involvement	Community Asset Transfers	Grampian Clinical Strategy
IJB Membership – Broad Range of Stakeholders	Participatory Budgeting Plans	NHS Grampian Area Partnership Forum
Use of Social Media		Equality, Diversity and Human Rights Policy
Freedom of Information Compliance		Stakeholder Engagement Framework
Workforce Forum		
Complaints Handling Policy		
Staff Surveys		
Governance Framework		
Community Risk Register (2021)		
IJB & Committee meetings held in public		
Unpaid Carers Strategy		



LOCAL CODE OF CORPORATE GOVERNANCE

GOVERNANCE PRINCIPLES		
Principle C		
Defining outcomes in terms of sustainable economic, social and environmental benefits		
SOURCES OF ASSURANCE		
MIJB	MORAY COUNCIL	NHS GRAMPIAN
Strategic Plan (2022-2032)	Moray 2027 – a Plan for the Future	Annual Delivery Plan (includes Financial Plan)
	Corporate Plan – currently being updated	Governance Framework
Annual Performance Report	Community Planning Board	Performance Management Framework
Performance Management Framework	Local Outcome Improvement Plans – Updated with Partner Agencies	Population Health Committee
Climate Change Duties and Responsibilities	Governance Framework	Grampian Clinical Strategy
	Performance Management Framework	Equality & Diversity: Outcomes
Equalities Outcomes (April 2021)	Best Value Report & Action Plan	
	Improvement and Transformation Plans	



LOCAL CODE OF CORPORATE GOVERNANCE

GOVERNANCE PRINCIPLES		
Principle D		
Determining the interventions necessary to optimise the achievement of intended outcomes		
SOURCES OF ASSURANCE		
MIJB	MORAY COUNCIL	NHS GRAMPIAN
Risk Management Processes	Risk Management Processes	Risk Management Processes
Audit Planning (Internal & External)	Audit Planning (Internal & External)	Audit Planning (Internal & External)
Performance Management Framework	Performance Management Framework	Performance Management Framework
Budget Monitoring Processes	Budget Monitoring Processes	Budget Monitoring Processes
Financial Planning	Financial Planning – in line with Cipfa’s FM Code Principles	Financial Planning
MIJB Committee Structure	Moray Council Committee Structure	Health & Safety Committee
	Asset Management Group	Annual Accountability Review
Health and Safety Arrangements		Asset Management Group
Business Continuity Planning	Workforce and ICT Strategies	Ministerial Strategic Group – Self Assessment May 2019
Ministerial Strategic Group – Self Assessment – May 2021	Guide to Scrutiny at Moray Council	Grampian Clinical Strategy
Governance Framework		Clinical Governance Committee



LOCAL CODE OF CORPORATE GOVERNANCE

GOVERNANCE PRINCIPLES

Principle E

Developing the entity's capacity, including the capability of its leadership and the individuals within it.

SOURCES OF ASSURANCE

MIJB	MORAY COUNCIL	NHS GRAMPIAN
Workforce Planning and Organisational Development	Workforce Planning	Employee Induction Processes
Workforce Forum	Elected Member Induction / Development	Board Member Induction
MIJB Voting Member Briefings	Employee Development Team	Staff Partnership Representation
MIJB Development Sessions	Moray Management Methods	Leadership Schemes
Board Member Induction	Employee Induction Processes	Staff Governance Committee
System Leadership Programme	Employee Review and Development Programme	" We Care" programme
Strategic Transformation Plan 2023-25	Staff Leadership Forum	NHSG 3 Year Delivery Plan 2023-26
	Best Value Action Plan developed	



LOCAL CODE OF CORPORATE GOVERNANCE

GOVERNANCE PRINCIPLES		
Principle F		
Managing risk and performance through robust internal control and strong public financial management.		
SOURCES OF ASSURANCE		
MIJB	MORAY COUNCIL	NHS GRAMPIAN
Financial Regulations (Nov 2023)	Financial Regulations (update 29.6.23)	Standing Financial Instructions
Risk Management Strategy and Risk Reporting	Risk Management Policy & Strategy	Budget Monitoring & Financial Planning
Governance Framework	Following the Public Pound – ALEO Funding	Risk Management Framework & Reporting
Budget Monitoring & Financial Planning	Performance Management Framework	Audit Planning (Internal & External)
Production of Annual Accounts	Scheme of Delegation	Policy for the Prevention, Detection and Investigation of Suspected Fraud, Theft or Corruption
Audit Planning (Internal & External)	Section 95 Officer Appointment	Schedule of Reserved Decisions
Business Continuity & Incident Response Plans	Fraud, Theft, Bribery & Corruption Policy	Operational Scheme of Delegation
Performance Management Framework	Participation in National Fraud Initiative	Annual Report and Accounts (including annual governance statement)
Clinical & Care Governance Committee	Information Assurance Group	Performance, Assurance, Infrastructure and Finance Committee
Moray Performance Review (Chief Executive)	Budget Monitoring & Financial Planning	Clinical Risk Management Group
Internal and External Audit Plans	Audit Planning (Internal & External)	
Integration Scheme (Mar 2023)	Procurement Regulations & Training	
Audit, Performance and Risk Committee	Business Continuity Plans – to be revisited post pandemic	



LOCAL CODE OF CORPORATE GOVERNANCE

Risk Policy (Sept 2020)		
Clinical Risk Management Group		
Financial Recovery Plan		
Reserves Policy 2024		
Internal Auditor Reappointment 2024		



LOCAL CODE OF CORPORATE GOVERNANCE

GOVERNANCE PRINCIPLES		
Principle G		
Implementing good practices in transparency, reporting and audit to deliver effective accountability.		
SOURCES OF ASSURANCE		
MIJB	MORAY COUNCIL	NHS GRAMPIAN
Committee Reporting Framework	Committee Reporting Framework	Board sub-Committee Reporting Framework
Financial Reporting – Budget Monitoring	Financial Reporting – Budget Monitoring	Financial Reporting – Budget Monitoring
Production & Approval of Annual Budget	Production & Approval of Annual Budget	Production of Annual Report and Accounts
Production of Annual Accounts	Production of Annual Accounts	Audit Planning (Internal & External)
Audit Planning (Internal & External)	Audit Planning (Internal & External)	Assurance Framework
Consultation	Statutory Returns	Public Sector Reform Act disclosure
Governance Framework	Consultation	
Externally commissioned review of Commissioned services	Chief Social Work Officer Annual Report	
Locality Plans	Scottish Public Services Ombudsman – Complaints Reporting and Responses	
Climate Change Reporting		



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 27 JUNE 2024

SUBJECT: DIRECTIONS UPDATE

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

1.1 To inform the Committee of the issued Directions of the Moray Integration Joint Board (MIJB) for the period 1 December 2023 to 30 May 2024.

2. RECOMMENDATION

2.1 It is recommended that the Committee consider and note the Directions issued in the period December 2023 to May 2024.

3. BACKGROUND

3.1 The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) established the legal framework for integrating health and social care in Scotland. The Act required Integration Authorities to develop a Strategic Plan for the integrated functions and budgets delegated by the health board and local authority.

3.2 In accordance with Sections 26-28 of the Act, MIJB has in place a mechanism to action its Strategic Plan which takes the form of binding Directions to one or both of the Partners. Directions are the means by which the MIJB informs NHS Grampian and Moray Council of what is to be delivered using the integrated budget in order to achieve the strategic aims outlined in its Strategic Plan. A Direction must be issued in respect of every function that has been delegated to the MIJB. Directions are an obligatory legal mechanism.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 At the MIJB meeting on 31 March 2022, the Directions policy and procedures were approved (para 17 of the minute refers). This was to enhance governance, transparency and accountability between the MIJB and its Partner organisations, NHS Grampian and Moray Council through a clear framework for the setting and reviewing of Directions and to confirm adequate governance arrangements.

- 4.2 As part of the approved procedures, Audit, Performance and Risk (APR) Committee are to review all live Directions on a six monthly basis for assurance of delivery and compliance through an update report. With any resulting concerns being escalated to the MIJB at the first available opportunity. The first report on the first six months for 2022/23 was noted by this Committee on 24 November 2022 (para 8 of minute refers), with the next six months reported to 29 June 2023 (para 10 of minute refers) and the last six months reported to 29 February 2024 (para 14 of minute refers).
- 4.3 **Appendix 1** details the Directions approved during the period 1 December 2023 to 30 May 2024, for consideration.

5. **SUMMARY OF IMPLICATIONS**

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

This report is consistent with the objectives of the Strategic Plan and includes Directions detailed to the partners of the MIJB.

(b) **Policy and Legal**

The MIJB is, in terms of Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014 required to direct NHS Grampian and Moray Council to deliver services to support the delivery of the Strategic Plan is as far as the functions that have been formally delegated.

(c) **Financial implications**

None arising directly from this report.

(d) **Risk Implications and Mitigation**

The delivery of the Strategic Plan is put at risk should appropriate Directions not be issued. The quality of the Directions are also a factor in ensuring implementation as intended. Close monitoring of Directions and scrutiny by Committee provides reasonable assurance that Directions are being carried out as intended.

(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.

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

None arising directly from this report.

(i) **Directions**

None arising directly from this report.

(j) **Consultations**

The Chief Officer and Corporate Manager of the MIJB have been consulted for comment where appropriate.

6. CONCLUSION

6.1 The Audit, Performance and Risk Committee are asked to consider and note the report content and Directions included in Appendix 1.

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

Background Papers: with author

Ref:

Issue to	Agreed by IJB on	Effective from	Title of Direction and Reference	Functions covered by Direction	Link to direction
MC	28 March 2024	01 April 2023	MIJB Updated Budget Position 20240328MC09	All functions listed in Annex 1, Part 1 of the Moray Health and Social Care Integration Scheme and all functions listed in Annex 2, Part 1 of the Moray Health and Social Care Integration Scheme.	SPMAN-1236605834-2037
GHB	28 March 2024	01 April 2023	MIJB Updated Budget Position 20240328GHB09	All functions listed in Annex 1, Part 1 of the Moray Health and Social Care Integration Scheme and all functions listed in Annex 2, Part 1 of the Moray Health and Social Care Integration Scheme.	SPMAN-1236605834-2039
MC	28 March 2024	01 April 2024	MIJB Updated Budget Position 20240328MC10	All functions listed in Annex 1, Part 1 of the Moray Health and Social Care Integration Scheme and all functions listed in Annex 2, Part 1 of the Moray Health and Social Care Integration Scheme.	SPMAN-1236605834-2038
GHB	28 March 2024	01 April 2024	MIJB Updated Budget Position 20240328GHB10	All functions listed in Annex 1, Part 1 of the Moray Health and Social Care Integration Scheme and all functions listed in Annex 2, Part 1 of the Moray	SPMAN-1236605834-2040

MIJB Register of Directions

Issue to	Agreed by IJB on	Effective from	Title of Direction and Reference	Functions covered by Direction	Link to direction
				Health and Social Care Integration Scheme.	
MC	30 May 2024	01 April 2023	MIJB Updated Budget Position 20240530MC11	All functions listed in Annex 1, Part 1 of the Moray Health and Social Care Integration Scheme and all functions listed in Annex 2, Part 1 of the Moray Health and Social Care Integration Scheme.	SPMAN-1236605834-2091
GHB	30 May 2024	01 April 2023	MIJB Updated Budget Position 20240530GHB11	All functions listed in Annex 1, Part 1 of the Moray Health and Social Care Integration Scheme and all functions listed in Annex 2, Part 1 of the Moray Health and Social Care Integration Scheme.	SPMAN-1236605834-2089
MC	30 May 2024	01 April 2024	MIJB Updated Budget Position 20240530MC12	All functions listed in Annex 1, Part 1 of the Moray Health and Social Care Integration Scheme and all functions listed in Annex 2, Part 1 of the Moray Health and Social Care Integration Scheme.	SPMAN-1236605834-2092
GHB	30 May 2024	01 April 2024	MIJB Updated Budget Position	All functions listed in Annex 1, Part 1 of the Moray Health and Social Care Integration Scheme and all functions listed in Annex 2, Part 1 of the Moray	SPMAN-1236605834-2090

MIJB Register of Directions

Issue to	Agreed by IJB on	Effective from	Title of Direction and Reference	Functions covered by Direction	Link to direction
			20240530GHB12	Health and Social Care Integration Scheme.	

