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**Fife Health
& Social Care
Partnership**

Fife Integration Joint Board Audited Annual Accounts

For the Financial Year to 31 March 2024

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MANAGEMENT COMMENTARY

Introduction

Welcome to the financial statements for Fife IJB for the year ended 31 March 2024. The statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This commentary outlines the key messages regarding the performance of the IJB over the 2023-24 financial year as well as providing an indication of risks and issues which may impact upon the IJB in the future.

Our Plans for the Future: Principal Risks and Uncertainties

The level of funding that the IJB will receive from the Scottish Government for its core activities is likely to reduce given the commitments that are in place and the financial challenge that exists nationally. The legacy of higher inflation continues to exacerbate the challenge as any increase in costs will need to be managed internally within the IJB. The IJB approved the Medium-Term Financial strategy in March to address the financial challenge. The medium-term financial strategy and the budget assumptions used in March 2024 will be updated based on all known intelligence and an updated budget gap will be reported to the Board towards the end of 2024. This will no doubt influence the level of future change being planned.

There is still a level of uncertainty as a consequence of the economic circumstances over the last few years. Inflationary pressures, increasing demand for services and the constraint of funding from the Scottish Government could increase the scale of the financial challenge the IJB has to deal with. Whilst the IJB has strong financial management with a Medium-Term Financial Strategy and a financial Risk Register in place to support future budget decisions, the largest financial risk is likely to be the funding envelope received from Partners given the financial pressures that they also face.

Consideration is also being given to other pressures the IJB is facing, for example, achieving savings, strategic growth, and the fact that there remains little to no reserves. As we move forward the IJB will need to consider all options to reconfigure services and potentially use alternative operating models to provide services in a different, more cost-effective way to ensure best value.

Role and Remit

Fife IJB was established as a body corporate by order of Scottish Ministers in October 2015 under the Public Bodies (Joint Working) (Scotland) Act 2014. Fife IJB is responsible for the planning and operational oversight of a range of integrated services of Fife Council and Fife NHS, striving to fulfil the vision to enable the people of Fife to live independent and healthier lives.

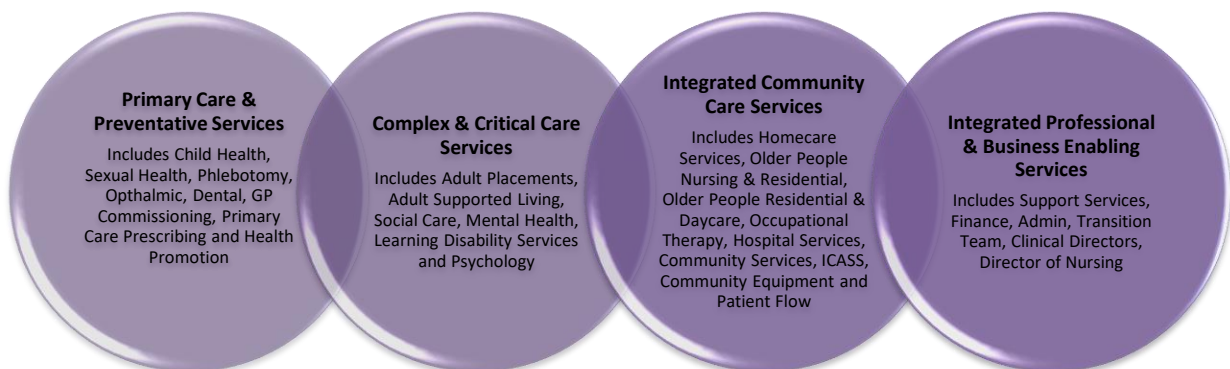
The IJB is the decision-making body that meets regularly to discuss, plan, and agree how health and social care services are delivered in Fife. It is responsible for overseeing the development and preparation of the Strategic Plan for services delegated to it, allocating resources in accordance with the plan and ensuring that the national and local Health and Wellbeing Outcomes are met. Fife Health and Social Care Partnership (HSCP) is directed to deliver based on decisions made by the IJB. The directions govern the delivery as they outline what the partners are required to do, the budget allocated, and how the delivery will be monitored. The scope of services delegated to the IJB is outlined in the Integration Scheme.

Purpose and Objectives

The main purpose of integration is to improve the wellbeing of people who use health and social care services, particularly those whose needs are complex. The Integration Scheme is intended to achieve the National Health and Wellbeing Outcomes established by the Scottish Ministers, and Fife Council and NHS Fife are committed to working jointly and have entered into the agreement to achieve these aims and outcomes. The 9 National Outcomes are:



We are responsible for planning the future direction of, and overseeing the operational delivery of, integrated health and social care services for the people of Fife. These services are delegated to Fife IJB by NHS Fife and Fife Council and are mostly delivered by Fife HSCP, in conjunction with our partners in the Third and Independent Sector. The services are structured in a manner which seeks to create the conditions for a collaborative, systems approach to service design and delivery through operational delivery, professional standards, and business enabling and support services.



These services are provided in a way which, so far as possible:

- Is integrated from the point of view of service-users.
- Takes account of the needs of service-users in different parts of Fife and takes account of the characteristics, and circumstances of different service-users.
- Respects the rights of service-users.
- Takes account of the dignity of service-users.
- Takes account of the participation by service-users in the community in which service-users live.
- Protects and improves the safety of service-users.
- Improves the quality of the service and is planned and led locally in a way which is engaged with the community (including, service-users; those who look after service-users, and those who are involved in the provision of health or social care).
- Best anticipates needs and prevents them arising.
- Makes the best use of the available facilities, people, and other resources.

'Mission 25' describes the Partnership's ambition to be one of the best performing Health & Social Care Partnerships in Scotland by 2025. This ambition is underpinned by a belief that every staff member has a part to play in us achieving our mission, because when we work collectively with the people of Fife at the centre of our service delivery we will achieve the best outcomes for our people, the most efficient use of our resources, and build the capacity and capability to transform our services for the future.

Systems leadership continues to be a priority for us, and we want to create the conditions where all of our leaders work together towards a common vision by focussing on relationships; building trust and putting people at the centre of everything we do. In 2023 we delivered two Systems Leadership Programmes for our senior and middle managers, which will help roll out of the systems leadership ethos across the partnership. Two further programmes are planned for 2024.

We created an Extended Leadership Team in 2020 initially via Teams, which then moved face to face. This protected time meeting allows the senior leadership team to work with the next management tier, to network, collaborate, to share a clear vision, ensure consistent messaging and share experiences. It has been deemed so effective by those staff who attend, that we rolled out the Integrated Leadership Team and extended this style of collaborative working to the next level of management. The first event was a great success and is being held bi-annually, as well as staying connected online in between events with the aims of relationship building and whole system working at the heart of this work.

There is also a need to understand what impact the National Care Service will have on future models of care and the associated cost implications. The National Care Service Bill was published in June 2022, the Bill will make Scottish Ministers accountable for adult social care in Scotland, with services designed and delivered locally. The Bill is at Stage 2 where Changes to Detail can be proposed by MSPs for consideration by a committee.

Strategy

The Strategic Plan has been refreshed for 2023-26 with a vision 'To enable the people of Fife to live independent and healthier lives and a Mission 'to deliver this by working with individuals and communities, using our collective resource effectively. We will transform how we provide services to ensure these are safe, timely, effective, high quality and based on achieving personal outcomes. The Values of the plan are Person-focused, Integrity, Caring, Respectful, Inclusive, Empowering, and Kindness.

An important part of Fife Health and Social Care Integration was the creation of localities, bringing decision making about health and social care local priorities closer to communities. Localities provide one route, under integration, for communities and professionals (including GPs, acute clinicians, social workers, nurses, Allied Health Professionals, pharmacists, and others) to take an active role in, and provide leadership for, local planning of health and social care service provision. Locality plans are refreshed annually for each of the seven local areas within the HSCP to ensure that services respond to local priorities, needs and issues of communities. The HSCP works with around 300 organisations across the voluntary and independent sectors, and they are a vital part of the Partnership in delivering high quality services which are person-focused and inclusive.

The Strategic Plan is the blueprint for change and sets out the IJB's priorities for 2023-26. (<https://www.fifehealthandsocialcare.org/media/bj2nwsxa/fife-strategic-plan-2023-to-2026.pdf>). The Plan is driven by law, national and local policy, and aims to meet the needs of people now and in the future. It aims to make better use of new technology and working within available financial and workforce resources to tackle inequalities and offer early interventions.

The Strategic Plan has five key priorities as follows:



The Strategic Plan, and its underpinning strategies, set out the actions we want to deliver over the three years from 2023-26.

In 2023 our Strategic Delivery Plan was approved, and this highlights the areas we want to take forward in year. In delivering the plan,

- We will improve the quality of care for people by targeting investment at improving services, which will be organised and delivered to provide the best, most effective support for all ('better care').
- We will improve everyone's health and wellbeing by promoting and supporting healthier lives from the earliest years, reducing health inequalities, and adopting an approach based on anticipation, prevention, and self-management ('better health').

- We will increase the value from, and financial sustainability of, care by making the most effective use of the resources available to us and the most efficient and consistent delivery, ensuring that the balance of resource is spent where it achieves the most and focusing on prevention and early intervention ('better value').

Monitoring against the priorities in the Delivery Plan is key and SMART objectives have been developed to measure progress. A Year One Report for 2023 was taken to the IJB Committee on 28th March 2024, the report provides an update on these actions, the improvements we have delivered, and any activities which are still ongoing. Where relevant, we have updated the actions planned for 2024 to ensure that Fife's Year Two Delivery Plan continues to align with national initiatives, legislative requirements, and identified best practice. Whilst ensuring that Fife remains on track to deliver the outcomes identified by local communities across Fife and summarised in our Locality Action Plans.

The Strategic Plan 2023-2026 is supported by nine transformational strategies which describe some the work that the Partnership will carry out over the next three years to deliver our vision of enabling the people of Fife to live independent and healthier lives. The Strategic Plan also has a range of enabling strategies. In 2023 8 strategies were approved by the IJB and a further 6 are in development, some updates are provided below.

Digital Strategy

The Digital Strategy was developed throughout 2023-24 and will be presented for approval early in 2024-25. The strategy outlines how digital will enable us to deliver our services more effectively and efficiently. Having a digital strategy is an important step for us and we believe it will help transform and enhance the services we deliver. Digital systems and solutions can help us streamline administrative tasks, manage records efficiently and automate processes enabling us to focus on quality of care and delivery. It can enable better communication and collaboration, further expand our use of remote consultations, and facilitate secure information sharing across all our providers. Digital solutions can provide quick and easy access to information, empowering us to make informed decisions, with an emphasis on enhancing and tailoring a more person-centred care approach.

Working in collaboration with our Partners, NHS Digital and Fife Council BTS (Business Technology Solutions) via a joint working Digital Oversight Board, we will focus on the Partnership's digital needs enabling us to provide the best possible services to the people of Fife.

Year 1 aims, of our 3-year plan, include:

- Providing consistent, secure, reliable Wi-Fi across Fife Care home estate.
- Exploring the potential digital solutions to enable suitable appointments to be booked online.
- Increased use of sensor technology to support independent living.
- Access to information online – our new website has been launched and this provides a wealth of information to users of our services.
<https://www.fifehealthandsocialcare.org>
- Expand the use of Near Me technology for e-Consultations, where appropriate.
- Increased access to systems across NHS Fife and Fife Council to enable information sharing – embracing our 'tell us once' motto.
- Transforming Business Administration by enhancing the use of digital and exploring new digital opportunities.

Alcohol and Drug Strategy

The Strategy was developed throughout 2023-24 and presented to the IJB for approval in March 2024. Fife Alcohol and Drug Partnership (ADP) is a strategic partner of the Health and Social Care Partnership, its primary strategic aim is to reduce the prevalence, impact and harms associated with problematic alcohol and drug use throughout Fife. This involves contributing to prevention approaches, commissioning early intervention services and maintaining a recovery based, trauma informed system of care and support for people, their families and community members.

The Strategy is refreshed every three years based on national and local policy drivers, local evidence including a Public Health Need Assessment and the voices of people, families and communities with lived and living experience.

During 2023-24 the ADP support team reviewed the 2020-23 Strategy during six focus groups with services delivering the current strategy, two sessions with the lived experience panel and the living experience group and four sessions with family members attending Scottish Families Affected by Alcohol and Drugs (SFAD) support groups in Fife. This review provided a reflection of the work achieved throughout the previous strategy under five main themes.

1. Prevention and Early Intervention - fewer people develop problem drug and alcohol use.
2. Developing a Recovery Orientated System of Care – effective integrated person-centred support to achieve recovery.
3. Getting it Right for Children and Young People – children and families affected by drug and alcohol use will be safe, healthy, included and supported.
4. Public Health Approach for Criminal Justice - vulnerable people are diverted from Justice System.
5. Alcohol Framework 2018 – A Scotland where less harm is caused by alcohol.

Wider consultation took place with our extended Leadership Team, a Wider Stakeholder Consultation Event in August 2023 and full HSCP supported participation and engagement process was also conducted at the end of 2023. The Vision of the refreshed strategy is 'To enable all the people of Fife affected by drug and alcohol use to have healthy, safe, satisfying lives free from stigma'. It is based on continuous improvement of the current delivery, addressing needs in a more innovative way, and supported by a Public Health Synthesis of Needs Assessment. The refreshed theme is aligned with the HSCP strategic priorities and full delivery plans for the first year have been generated from these:

- **Wellbeing** - Prevention and early intervention.
- **Local** - Risk is reduced for people who take harmful substances.
- **Integration** - Treatment and recovery services are easily accessible and high quality.
- **Outcome** - Quality of life is improved to address multiple disadvantages.
- **Sustainable** - Children, Families and Communities affected by substance use are supported.

The ADP will monitor progress on a quarterly and annual basis using national and local measures with a production of a Scottish Government survey and an Annual Report.

Carers Strategy

Our Carers Strategy was refreshed and approved in 2023-24 and aims to help unpaid carers in Fife to have a life alongside caring, and to protect their health and wellbeing and better sustain caring roles. In 2018 there were separate strategies for adult carers and young carers, in this new combined carer strategy we have provided further investments to provide key supports which carers have told us help them most.

The involvement of carers was central to the development of this strategy. We held 11 engagement events for carers and made available a consultation questionnaire where we heard carers' experiences of caring for others. We asked and carers told us what works and what more we need to do, as well as where we could improve. We heard the views of over 111 unpaid adult carers and 100 young carers, as well as the views of our commissioned third sector partners who work with unpaid carers.

The key themes we heard from carers were around provision of information and knowing which supports are available and from where, coordinated support and help with navigating our health and social care systems, breaks from caring to prevent carer crisis, early identification, and recognition of their carer role, and for young carers – the right to 'be a child or teenager first and foremost'.

In response some of the actions we have taken include publishing information on our new website, investment in staff for the Wells, we have commissioned a range of new advocacy and information services, creation of a public engagement team to better hear carer views. We have significantly increased the independent support for carers, such as help for carers to secure Power of Attorney, doubled the support available to carers of people with dementia, quadrupled the hospital discharge support for carers and increased digital support for young carers. For breaks we have increased grant funding available for Creative Breaks (now known as Time to Live) for Adults and Time for Me Breaks for young carers. We have created a Carers Community Chest to provide support for carers to create meaningful breaks and support in their locality and commissioned support to help carers express their voice in planning and decision making. So far 54 new carer-led projects have been established to support unpaid carers right across the Kingdom, with an investment of over £350,000 – and we aim to do more in the future.

The longer-term strategic context in Fife is very challenging. With the likelihood of needing care increasing as we age, the decreasing population means the pool of people who are willing and able to be carers is likely to decrease while the demand for carers increases. It is for this reason we need to ensure carers are supported well and enabled to continue to their role for as long as they are willing to.

Home First Strategy

The Home First Strategy has been approved by Integration Joint Board in July 2023 with the vision that "everyone in Fife is able to live longer healthier lives at home or in a homely setting". The strategy sets out the transformational initiatives relevant to the three critical elements of Home First: early intervention and prevention, person centred at the heart of all care decisions and a whole systems approach.

The strategy outlines Fife's commitment to integrate health and social care and maximising the collaborative working that exists in Fife. The focus of this transformational programme of works is to develop the future model of community care in an integrated

manner, with a focus on prevention, anticipation and supported self-management to realise this vision.

There will be an emphasis on ensuring that people get back into their home or community environment as soon as appropriate, with minimal risk of re-admission to hospital. Services will be redesigned/ developed so they are flexible to growing and changing demands, as well as being sustainable.

Individual workstreams have been created to progress this transformational change focussing on the following areas:

- Community rehabilitation and care model, including the community hospitals review.
- Centralised scheduling and provision of a single point of access/ co-ordinated case management.
- Single handed packages of care requirements across Fife.

These workstreams are currently being scoped in detail, which will inform the delivery plans with agreed activities/ work packages that are required to deliver the Home First Strategy outcomes. During 2023-24, to help scope these workstreams, various proof of concepts/ tests of change have been undertaken concurrently to inform the new models of community care and service redesign and these are:

- British Red Cross service – this initiative between the Fife Health and Social Care Partnership and the British Red Cross is testing a proposed new way of delivering community care services which will allow people who have had a stay in hospital to be supported and assessed in their own home. The aim is to find out what type and frequency of care or support people might need to stay at home and live as independently as possible.
- Enhanced Intermediate Care – evaluating a new model of community care provision in order to achieve the right balance between bed-based and community-based care. People traditionally identified as requiring rehabilitation in an inpatient setting will be taken home by the Intermediate Care Services to be assessed and treated with enhanced input and interventions.
- Levenmouth Area Multi-Disciplinary Case Management - assessing whether this approach could reduce the number of preventable emergency hospital admissions and frequent A&E visits. The key element of this work is to identify people at high risk of hospital admission and provide support to reduce the risk of admission.

Prevention & Early Intervention Strategy

The Prevention and Early Intervention strategy is currently progressing through its governance pathway for approval and implementation in September 2024. It is one of nine key strategies defined in the HSCP Strategic Plan 2023-26. This Strategy has a framework to support population health improvement; prevention and early intervention approaches being embedded in routine practice in the services they deliver and commission. Building on the capacity of individuals, families, and communities to secure the best outcomes for themselves will be key. Moving from intervening when a crisis

happens, towards building resilience and providing the right level of support before problems arise. Examples of HSCP Prevention & Early Intervention 2023-24

- To meet HSCP corporate commitment to tackling poverty preventing crisis, Health Promotion Service delivered poverty awareness information sessions, Level 1 Benefit Checker, Our Fife Toolkit training and Income Maximisation training to key staff groups, health visitors, school nursing team, link workers and our Fife Council partners in Housing and Welfare Support Team. Directly supporting our service users at the point of contact.
- Key work was progressed to establish a Fife Health Literacy model with the ambition of achieving a HSCP health literate workforce. Working to enable people to find, understand, and use information and services to inform health-related decisions and actions for themselves and others.

Plan for Fife

The Fife Council Plan for Fife 2021-24 Update (Recovery and Renewal) has an aim that Fife should be a place where communities really matter, where people set the agenda and contribute to how change is being delivered. With fairness at the heart of everything, the aim is for Fife to be a place of healthy connected communities, where people thrive, have enough money, and contribute to a sustainable and attractive environment.

- Recover from the pandemic: taking immediate action to support our children and young people, those people who have been most affected, and our business community.
- Renew our public services through a new commitment to work in partnership with our communities, with a focus on place.
- Re-align our strategies, plans and ways of working to make this happen and deliver our ambitions.

The Plan commits to tackling poverty and preventing crisis, leading economic recovery, and addressing the climate emergency.

Public Health

The NHS Fife Director of Public Health Annual Report has adopted the priorities of Scottish Government and wants to see:

- A Fife where we live in vibrant, healthy, and safe places and communities.
- A Fife where we flourish in our early years.
- A Fife where we have good mental wellbeing.
- A Fife where we reduce the use of, and harm from, alcohol, tobacco, and other drugs.
- A Fife where we have a sustainable, inclusive economy with equality outcomes for all.
- A Fife where we eat well, have a healthy weight and are physically active.

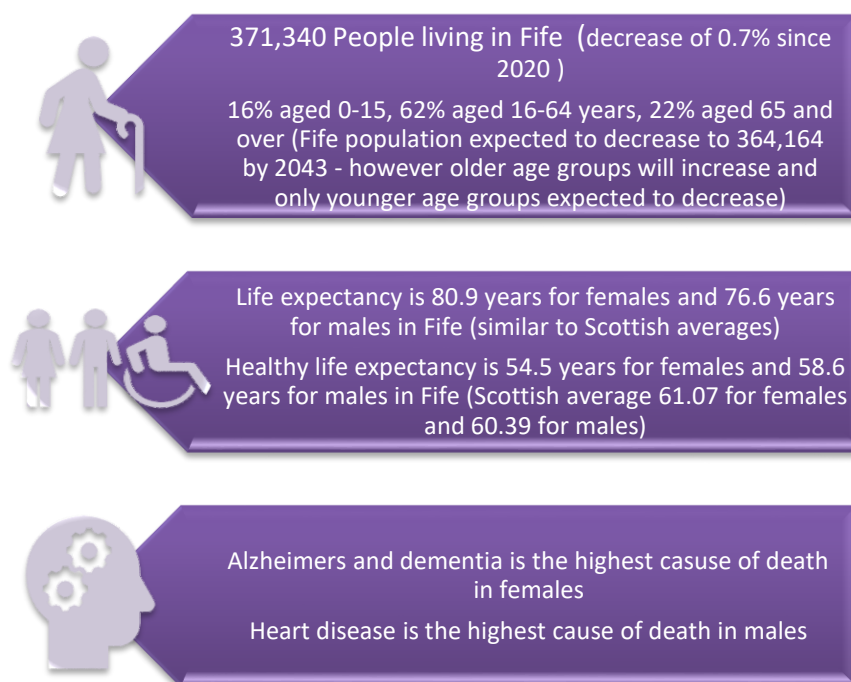
The ambitions directly impact our health and wellbeing and the services we require to provide. Achieving these priorities would ensure that our community has the access to the services they require and prevent crisis from occurring.

Operational Performance 2023-24

During 2023-24 our services continued to deal with high demand which puts significant pressure on our systems and finances. We need to make the best use of our restricted budgets and resources by redesigning services and doing things differently to ensure the health and social care needs of the most vulnerable people in our communities are met. Robust financial management is a key priority, we are exploring options to achieve efficiencies by improving our systems and processes, for example through better coordination of services or providing alternative delivery models.

Regular meetings continued throughout 2023-24 between the Chief Officer and Chief Executives of both NHS Fife and Fife Council, these meetings have supported whole system working and partner engagement in all the key decisions taken within the Health and Social Care Partnership. Through professional structures, there has been close working with the Medical Director, Nurse Director, and Chief Social Worker to support the clinical and care governance aspects of the key decisions taken. Integrated and whole system working remain key.

Statistics show that the population of Fife has decreased, however older age groups will increase by 2043 and therefore demand for our services is likely to increase further in the coming years.



We aim to deliver integrated care through increased coproduction and multi-agency collaboration, and transform the way that people think about their own health and wellbeing. There will be a greater focus on prevention, early intervention and supported self-management will enable individuals to avoid, or reduce, the impact of some health conditions, and to achieve better health and wellbeing for longer.

Key Performance Indicators

Performance relating to Fife Health and Social Care Partnership includes both national and local performance measures as well as national and local targets. Many of these measures are already regularly included and referenced in reports submitted to IJB Committee and NHS Fife. Our Performance is reported in our Annual Performance Report and quarterly performance reports to the Integrated Joint Board.

The Ministerial Strategic Group for Health and Community Care (MSG) in consultation with Integration authorities and a wide range of stakeholders have developed a core set of indicators to enable comparability between partnerships within Scotland, there are 23 indicators in total. The first 9 indicators are based on the Health and Care Experience Survey which is completed every 2 years. There are 10 indicators reviewed on a rolling annual basis and fall within health activity, community, and deaths information. The remaining 4 indicators cannot be reported as national data is not available or there is not yet an agreed nation definition.

Within the 10 indicators there are 6 national Ministerial Strategic Group (MSG) indicators, 4 of these can be reviewed quarterly.

MSG 1a - Emergency admissions over a rolling 12-month period took a significant dip during the pandemic however apart from a very slight dip in Summer 2022, has been continually rising and in June 2023 has surpassed pre-pandemic levels. The comparison year on year from June 2022 to June 2023 does show a 4% increase. This trend is similar across Scotland however the rate per 100,000 in Fife is higher than Scotland as a whole.








MSG 2a - Unplanned bed days in an acute hospital setting over a rolling 12-month period has followed a similar trend with continual rise since the pandemic with signs of flatlining in 2023. The comparison year on year from March 2022 to March 2023 does show a 0.77% increase. This trend is similar across Scotland however does not appear to be flatlining like Fife, the bed days rate per 100,000 in Fife is much lower than that for Scotland.

MSG 3a - Accident and Emergency attendances have increased continually year on year since the pandemic but are not quite at the height they were pre-pandemic. The rolling 12-month period comparison from September 2022 to September 2023 shows a 3.5% increase. Once again, the trend across Scotland is similar with Fife rate per 100,000 slightly lower.

MSG 4 - Bed days lost to delayed discharges within Fife hit a peak in April 2022 and have since been on a downward trend apart from a slight increase in winter. The comparison year on year from September 2022 to September 2023 is an 11.8% decrease. Fife's bed days rate per 100,000 is much lower than Scotland, with Scotland being higher than pre-pandemic levels however Fife are currently lower than pre-pandemic levels.

As it takes some time to refresh the MSG indicators nationally, a set of local key performance indicators is currently under development with the scope being expanded to give a broader picture of performance, this coincides with a move to a new Social Care information system which is still bedding in. A new scorecard will be introduced in 2024, with portfolio scorecards also be developed as part of that exercise, this will allow greater analysis and scrutiny of performance to occur. A Planning and Performance Board, comprising the Senior Leadership Team and others has been established and will take place bi-monthly. This board will examine performance and have oversight of performance arrangements across the partnership.

Performance across the Partnership continues to be variable and reflects the complex mix of services within each portfolio and the current challenging national landscape for health and social care as a whole.

Proxy MSG Indicator	Most recent update	Current value (for month)	Percentage Change from same month last year Feb 23 to Feb 24	Change over 13 months
Emergency Admissions (VHK)	Feb-24	2988	+ 28%	
Emergency Admissions from A&E (VHK)	Feb-24	1784	+ 17%	
A&E Conversion Rate (VHK)	Feb-24	31.8%	- 1.0%	
A&E Attendances (all sites)	Feb-24	7092	+ 17.2%	
A&E Attendances (VHK)	Feb-24	5594	+ 15.2%	
A&E % seen within 4 hours (All sites)	Feb-24	71.5%	- 1.1%	
A&E % seen within 4 hours (VHK)	Feb-24	63.9%	- 0.5%	

The Emergency Admissions to the Victoria Hospital site has increased by 28% from February 2023 to February 2024. The peak in Emergency admissions into Victoria Hospital was in January 2024 with 3235, however this was 21% greater than January 2023. Emergency Admissions from A&E into Victoria Hospital have increased by 17% from February 2023 to the same month in 2024. The peak in Emergency admissions from A&E into Victoria Hospital was in December 2023 with 1945, however this was only 5% higher than December 2022.

The A&E conversion rate from Victoria Hospital attendances has dropped by 1% in February 2024 compared to February 2023, however this remains above 30% with only 1 dip in August 2022 just below the 30%. A&E attendances across Victoria Hospital (VHK) as well as all sites have increased by 15.2% and 17% in February 2024 compared to February 2023. Attendances across both VHK and all sites peaked over the 2022 summer months.

A&E % seen within 4 hours at both VHK and all sites has decreased in February 2024 by 0.5% and 1.1% compared to February 2023. Similar to attendances the % seen in A&E within 4 hours in both VHK and all sites peaked over the 2022 summer months.

Length of stay prior to discharge from a Community Hospital in Fife has reduced from an average of 42.7 days in February 2023 to 39.3 days in February 2024, a drop of 8% and meets the service target of 42 days. The rate fluctuates mostly due to lack of capacity in the service users' home of choice which impacts on the wait time. We continue to monitor this and use assessment beds in care homes to step down from hospital, as well as growing care at home packages externally to minimise the length of stay.

Other key challenges include the additional demand for mental health services, a CAMHS (Child and Adolescent Mental Health Service) wait time indicator states that at least 90% of clients will wait no longer than 18 weeks from referral to treatment. At February 2024 84% have waited less than 18 weeks, no children or adolescents have waited more than

36 weeks. Fife is currently sitting 14.9% below the Scottish average. The service priority has been to focus on the longest waits, with urgent/priority also taken into account.

Recruitment difficulties are still being faced in Psychological Therapies. The Psychological Therapies wait time indicator states that at least 90% of clients will wait no longer than 18 weeks from referral to treatment. At February 2024 54.3% have waited less than 18 weeks and currently the wait list has 2439 in February 2024, this is 2.4% less than February 2023.

Demand for care at home services has improved significantly and has reduced from 208 people waiting in February 2023 to 46 in February 2024 (based on commissioning information at a point in time). This equates to a demand of 1661 (83% reduction) hours less of care in February 2024 compared to February 2023.

The Partnership will continue to work with partner agencies on our new strategies and transformation programmes underway will support innovation and improvement. National Indicators show Fife's performance compared to the Scotland rate, and we continue to work to improve against the Scottish average, this will help us meet our aim of becoming the most improved Health and Social Care Partnership by 2025.

Financial Performance 2023-24

The outturn position as at 31 March 2024 for the services delegated to the IJB are:

	Budget £000	Actual £000	Variance £000	Variance %
Delegated and Managed Services	705,270	738,258	32,988	4.7%
Set Aside Acute Services	50,920	50,920	0	

The IJB reported total budgeted income of £756.190m for the financial year 2023-24, which was made up of £705.270m integrated budget and £50.920m relating to set aside.

The IJB reported total expenditure for the financial year 2023-24 of £789.178m, which comprised of £738.258m spend on integrated services and £50.920m on set aside.

The Acute Set Aside services budget was delegated to the IJB and the services are managed by NHS Fife. There was an overspend on these services of £12.296m but these costs were borne by the Health Board. The cost to the IJB is the same as the budget of £50.920m and there is a break-even position. Progress on the implementation of MSG indicators was reported to the Integration Joint Board in January 2023. In relation to integrated Finances and Financial Planning the report stated "There are 4 indicators partially established and 2 indicators established. In agreement with the Chief Executives and Directors of NHS Fife and Fife Council the key area that has not been progressed is the delegated hospital budgets. There is further work to be scoped to understand any potential implications of the National Care Service to inform next steps. The position in

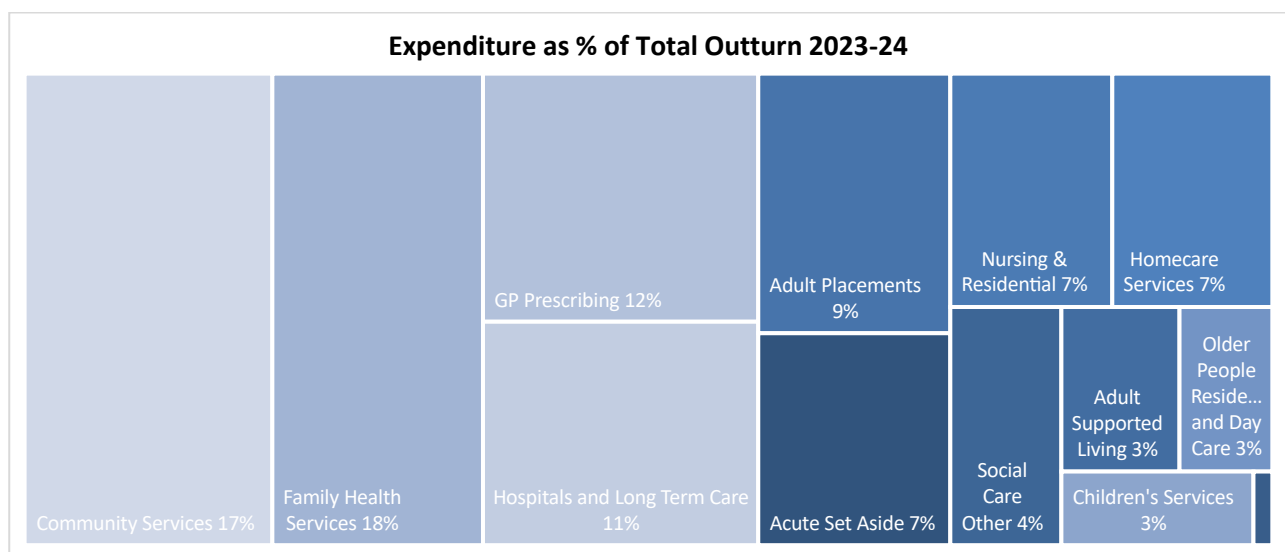
relation to delegated acute hospital budgets is not unique to Fife and remains a challenge across Scotland.” The current position regarding the national care service is that the Bill is at stage 2 and is expected to be completed by summer 2024. This was discussed with the Chief Officer and Chief Executives in August 2023 and agreed there will be no further change to set aside arrangements in Fife till there is this national clarity on any pending reform. For assurance however there continues to be strong team working and collaboration across NHS Fife, Fife Council and Fife Health and Social Care Partnership on pathways of care and joint working in relation to unscheduled care, capacity, and flow.

Our reserves balance at the start of 2023-24 was £37.719m. This was split £16.225m earmarked, £14.065m committed and £7.429 available. In year permission was sought from Scottish Government to re-purpose a number of earmarked reserves for use in other areas.

The core position for the HSCP was an overspend of £17.751m, which was mainly due to Prescribing, Mental Health, Social Care costs for Adults and Older People. At year end reserves of £16.004m were held. £12.173m of reserves balances have been utilised to reduce the overspend to £5.578m.

The Medium-term Financial Strategy clearly sets out the agreed budget for 2023-24. The approved Direction at March 2023 states the budget allocated to each partner to allow them to deliver the functions delegated to the partners in accordance with the integration scheme. For 2023-24 the Direction required a transfer in budget from one partner to another. Due to overspends in health delegated budgets, the IJB approved the draw down of reserves to ensure sufficient funds were in place to allow the budget transfer to take place in line with the Direction. This forms part of the use of the £12.173m of reserves to reduce the overspend, and risk share to £5.578m.

The £5.578m is reported as a deficit in the Comprehensive Income and Expenditure Statement as at 31 March 2024, and therefore requires to be funded by risk share, per the Integration Scheme.



Within the core overspend position of £17.751m the main areas of overspend within the Delegated and Managed Services are Prescribing £6.441m, Hospital and Long-Term care £10.603m, Homecare £3.253m, Nursing & Residential £2.636m, Older People Residential Care £2.527m and Adult Placements £4.218m. These are partially negated by underspends on Community Services £4.439m, Adults Fife wide £2.840m and Adults Supported Living £4.682m.

The inability to recruit means a greater reliance on locums and agency staff. Increased volume and cost per item within prescribing and increased social care placements are the main reasons for the overspend. This is partly offset by underspends on staffing vacancies and services which are currently being re-designed to better suits users' needs. Underspends in core areas are mostly attributable to staffing vacancies, many of which continue to be difficult to recruit to, especially for specialist roles. Work is ongoing to review the skill mix in a bid to successfully recruit to vacant posts.

The IJB commenced 2023-24 with an uncertain and challenging financial position, demand for our services is rising and services must be transformed to ensure we utilise our resources as effectively as possible.

The IJB approved budget was set predicated on implementing an approved saving plan to deliver £21.437m of savings. A report to IJB in March 2023, sought and gained approval to hold £10m of reserves for use to fund delays in Transformational savings commencing as Business cases were developed. At March 2024, the full £10m had been utilised. £11.437m of savings were delivered by services.

Key pressures within the 2023-24 accounts have been:

- The significant increased demand for our services associated with an increasing population, in particular an increasing ageing population and increased complexity of care needs. Adult packages, Homecare, Nursing and Residential Placements and Residential Care for Older People increased in year.
- The inability to recruit staff to the Partnership which in some cases required higher cost recruitment for locum and agency staff to cover services, particularly in Mental Health Services.
- Volume and Cost increases in Prescribing have been significant. The Optimisation Oversight Group provides governance to ensure the budget is managed as effectively as possible.
- The cost-of-living increase for pay, energy, fuel costs, food costs have an impact on services, with external providers requiring support to deliver services.

Reserves

The Fife Integration Scheme (updated at March 2022), states that an overspend position for delegated and managed services requires a recovery plan, which was undertaken, general reserve balances (if available) then require to be used and then any overspend remaining should be met by partners on a % split basis.

The opening reserves balance at April 2023 was £37.719m. Earmarked reserves of £10.126m were allocated in year. £11.589m of reserves were allocated from uncommitted reserves, £10m of this was utilised to fund year 1 of transformational change savings proposals, which were delayed due to business cases requiring to be developed. This left an overall balance of £16.004m.

Of the £16.004m balance, £12.173m requires to be utilised to fund the overspend and the budget transfer between partners. The remaining £3.831m cannot be utilised as there are current policies in place with SG to utilise the funding or commitments have already been made (such as the move from Analogue to Digital for telephone lines – these are required to allow our Community Alarms to continue working).

Funding for FVCV (Flu Vaccine, Covid Vaccine) was provided in 2023-24 and the balance remaining of £0.900m is carried forward for use in 2024-25.

Our Reserves policy ambition is to hold 2% of our budget in reserves, we will hold no uncommitted balances going into 2024-25.

Reserves Balances	Opening Balance @ April 2023	Additions in year	Allocated in year	Closing Balance at March 2024	Utilised to fund overspend	Additions/ Brought forward	Balance at Year End
Earmarked Reserves	16.225	0.047	-10.173	6.099	-3.503	0.900	3.496
Committed/Available Reserves	21.494		-11.589	9.905	-8.670		1.235
Total Reserves	37.719	0.047	-21.762	16.004	-12.173	0.900	4.731

At March 2024, reserves for specific purpose total £4.731m and will be fully utilised in 2024-25.

Value for Money

Value for money is a key priority for the Partnership and all service redesign, purchasing, procurement and commissioning must comply with the best value and procurement guidance of the relevant bodies. It is extremely important that expenditure is managed within the financial resources available to ensure that they align to the 3-year financial strategy and our long-term objective to achieve financial sustainability.

Financial Outlook

2023-24 has been another difficult year with high demands on services and the cost-of-living crisis. Moving forward there is likely to be significant financial reduction in contributions from Fife Council and NHS Fife along with an increase in costs across the economy on inflation, energy, supplies, pressure on pay costs and an ageing demographic. We are facing significant challenge and a savings package of £39m has been agreed as part of the budget setting process for 2024-25.

An increased overspend over the last months of the financial year will require further savings to be presented in year as part of a recovery plan to the IJB.

The tables below detail the savings year on year and a high-level summary of savings approved by the IJB in March, which have been identified to close the budget GAP and will be progressed as part of the Medium-Term Financial Strategy.

	2024-25	2025-26	2026-27
	£m	£m	£m
Cost of Continuing	679.591	706.713	734.156
Pressures	34.000	34.000	34.000
Funding Available	674.525	697.048	719.697
Total GAP	39.066	43.665	48.459

Opportunities/Savings Identified to close Budget Gap	£m
Previously approved	15.213
Efficiency	12.020
Service Redesign	6.400
Transformation	0.000
Commissioning	3.200
Income Generation	0.500
Use of Reserves	1.700
Total	39.033

Senior Leadership Team will provide regular updates during 2024-25 to provide assurance that these savings targets are on course to be met on a recurring basis.

Given the challenging financial environment there will be enhanced scrutiny of savings and spend. There will be regular tri-partite meetings with both our partners, NHS Fife, and Fife Council. There will be increased dialogue with the Chair and Vice Chair of the IJB and increased scrutiny of savings through the Finance Governance Board.

Strong financial management will be key and close monitoring will be a priority. The HSCP will continue to contain or reduce costs wherever possible and to use all funding streams available to them in order to mitigate the new financial pressures that they face. The HSCP are committed to reviewing all areas of expenditure and identify all possible corrective action that can be taken as an immediate measure to reduce costs wherever possible in order to deal with the new pressures and the challenges arising. It is imperative that every effort is made to control costs within the overall budget.

The medium-term financial strategy will be refreshed for 2024-25 and address the various new and additional pressures which face the Health and Social Care Partnership over next financial year and also into future years.

The most significant risks faced by the IJB over the medium to longer term can be summarised as follows:

- the economic crisis – the cost of inflation, energy and pay costs.
- the ageing population leading to increased demand and increased complexity of demand for services alongside reducing resources.
- continuing difficulties in recruitment leading to the use of higher cost locums and agency.
- the Transformation Programme does not meet the desired timescales or achieve the associated benefits.
- workforce sustainability both internally in health and social care and with our external care partners.
- Significant savings are identified through the prescribing budget. Whilst the decisions to prescribe are made locally, the costs of the drugs and introduction of new drugs are made nationally and there continues to be a level of uncertainty on the impact of issues such as Brexit.
- Variability - Projected financial impact which could arise from the impact of both local and national decisions or unexpected change in demand.
- Partners Non-compliance with IJB Directions.

Conclusion

2023-24 has been a challenging year financially, requiring significant savings to be delivered, however the HSCP has continued to deliver care, adapt to new ways of working, and support integration whilst dealing with challenges and complex issues. Achieving what we have, has been dependent on the significant contribution of our staff and we would like to recognise this and acknowledge our employees have worked tirelessly to ensure critical services are sustained.

Fiona McKay

Arlene Wood

Audrey Valente

Fiona McKay
Interim Chief Officer

Arlene Wood
Chair of the IJB

Audrey Valente
Chief Finance Officer

Date 27 September 2024

Date 27 September 2024

Date 27 September 2024

STATEMENT OF RESPONSIBILITIES

This statement sets out the respective responsibilities of the IJB and the Chief Finance Officer, as the IJB's Section 95 Officer, for the Annual Accounts.

The Integration Joint Board is required 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 (section 95 of the Local Government (Scotland) Act 1973). In this Integration Joint Board that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority (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, as amended by the Coronavirus (Scotland) Act 2020.)
- Approve the Annual Accounts for signature.

I confirm that these Audited Annual Accounts were approved for signature at a meeting of the Integration Joint Board on 27 September 2024.

Signed on behalf of the Fife Integration Joint Board

Arlene Wood

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Arlene Wood

Chair of the IJB

Date 27 September 2024
.....

Responsibilities of the Chief Finance Officer

The Chief Finance Officer, as the S95 Officer, is responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (The Accounting Code).

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

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Complied with legislation.
- Complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- Kept proper accounting records which are up to date.
- Taken reasonable steps to ensure the propriety and regularity of the finances of the Integration Joint Board including prevention and detection of fraud and other irregularities.

Statement of Accounts

I certify that the financial statements give a true and fair view of the financial position of the Fife Integration Joint Board as at 31 March 2024, and the transactions for the year then ended.

Audrey Valente
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Audrey Valente CPFA
Chief Finance Officer

Date 27 September 2024
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REMUNERATION REPORT

Introduction

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

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

Remuneration: IJB Chair and Vice Chair

The voting members of the Integration Joint Board are appointed through nomination by NHS Fife and Fife Council. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative. The Chair is Arlene Wood, Non-Executive Director of the Fife NHS Board and the Vice Chair is Councillor David Ross of Fife Council.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses or remuneration paid to the Chair or Vice Chair in 2023-24 or prior years.

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

Remuneration: Officers of the IJB

The IJB does not directly employ any staff. All Partnership officers are employed by either NHS Fife or Fife Council, and remuneration for senior staff is reported through the employing organisation. Specific post-holding officers are non-voting members of the Board.

The IJB approved the appointment of the current Chief Officer in 2019. The Chief Officer was appointed by the IJB in consultation with NHS Fife and Fife Council. The remuneration of the Chief Officer was set by NHS Fife and Fife Council. The Chief Officer is employed by NHS Fife and is seconded to the Integration Joint Board in accordance with section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014. The Chief Finance Officer is employed by Fife Council.

No other staff are appointed by the IJB 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
93,207	N Connor Chief Officer	111,590
84,446	A Valente Chief Finance Officer	89,211
177,653	Total	200,801

There were no payments to officers in 2023-24 or prior years in relation to bonus payments, taxable expenses, or compensation for loss of office.

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

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

Pension Benefits for Fife Council

Pension benefits for employees are provided through the Local Government Pension Scheme (LGPS), a funded scheme made up of contributions from employees and councillors and the employer. The LGPS in Scotland changed on 1 April 2015 from a final salary scheme to a career average revalued earnings (CARE) scheme. The scheme year runs from 1 April to 31 March. and all members, both employee and councillor, now build up a pension based on 1/49th of pensionable pay received in each scheme year. The normal pension age of the new scheme is linked to State Pension Age but with a minimum age of 65.

Pension benefits for employee members built up before 1 April 2015 are protected which means that membership built up to that date will continue to be based on final salary when the member retires or leaves.

From 1 April 2009 a five-tier contribution system was introduced with contributions from scheme members based on how much pay falls into each tier. It is designed to give more equality between costs and benefits of scheme membership. Prior to 2009 contribution rates were set at 6% for all non-manual employees. From 1 April 2015, part time members'

contribution rates are now based on actual pensionable pay as opposed to whole time pay.

Actual Pay 2023-24	Contribution Rate 2023-24	Actual Pay 2022-23	Contribution Rate 2022-23
Up to and including £25,300	5.50%	Up to and including £23,000	5.50%
Above £25,301 and up to £31,000	7.25%	Above £23,001 and up to £28,100	7.25%
Above £31,001 and up to £42,500	8.50%	Above £28,101 and up to £38,600	8.50%
Above £42,501 and up to £56,600	9.50%	Above £38,601 and up to £51,400	9.50%
Above £56,601	12.00%	Above £51,401	12.00%

Pension Benefits for NHS

NHS Fife participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a four-yearly funding valuation undertaken by the scheme actuary. The valuation carried out as at 31 March 2016 confirmed that an increase in the employer contribution rate from 14.9% to 20.9% was required from 1 April 2019 to 31 March 2023. The UK Government since confirmed that these employer rates would remain in place until 31 March 2024. In addition, member pension contributions over the period to 30 September 2023 have been paid within a range of 5.2% to 14.7% and have been anticipated to deliver a yield of 9.6%.

The valuation carried out as at 31 March 2020 confirmed that an increase in the employer contribution rate from 20.9% to 22.5% will be required from 1 April 2024 to 31 March 2027. In addition, member pension contributions since 1 October 2023 have been paid within a range of 5.7% to 13.7% and have been anticipated to deliver a yield of 9.8%.

NHS Board has no liability for other employers' obligations to the multi-employer scheme.

In 2023-24 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings.

Senior Employee	In-Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31-03-23	For Year to 31-03-24		Difference from 31-03-23*	As at 31-03-24
	£	£		£	£
N Connor Chief Officer	19,480	23,126	Pension Lump Sum	32,758 86,731	38,622 102,962
A Valente Chief Finance Officer	20,689	21,587	Pension Lump Sum	41,000 63,000	46,000 68,000
Total	40,169	44,713	Pension	73,758	84,622
			Lump Sum	149,731	170,962

Note: A Valente amounts based on all LGPS membership not just current employment.

* Restatement of N Connor Accrued Pension Benefits in 2022-23 due to revised calculator provided by SPPA

Exit Packages

There were no exit packages paid in 2023-24 (2022-23, none).

Fiona McKay

Arlene Wood

Fiona McKay
Interim Chief Officer
Date 27 September 2024

Arlene Wood
Chair of the IJB
Date 27 September 2024

ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement explains the Integration Joint Board's (IJB) governance and internal control arrangements and how the IJB complies with the CIPFA and SOLACE framework "*Delivering Good Governance in Local Government*", which details the requirement for an Annual Governance Statement. The IJB's governance framework places reliance on the Codes of Corporate Governance of Fife Council and NHS Fife in addition to having its own Code of Corporate Governance.

Scope of Responsibility

The Integration Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards; that public money is safeguarded; properly accounted for, and used economically, efficiently, and effectively. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's functions and to make arrangements to secure best value.

The IJB Vision is to enable the people of Fife to live independent and healthier lives. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's functions and to make arrangements to secure best value. The Integration Scheme delegated Health and Social Care functions to the IJB and the IJB is responsible for strategic direction and operational oversight of the Integrated Services. A Directions Policy sets out the process for formulating, approving, issuing, and reviewing Directions from the IJB to the partner organisations, NHS Fife and Fife Council.

In discharging operational delivery responsibilities, the Chief Officer places reliance on the NHS Fife and Fife Council's Codes of Corporate Governance and systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB. Any issues arising from operations are brought to the attention of the IJB by the Chief Officer.

These arrangements can only provide reasonable and not absolute assurance of effectiveness.

2023-24 Governance Framework and System of Internal Control

In July 2024, the Chief Officer resigned from their position to take-up an external promoted post. The Board appointed an interim Chief Officer to ensure continuity in Leadership until a permanent appointment is made in due course.

The Board of the IJB comprises 16 voting members, nominated by either Fife Council or NHS Fife, as well as non-voting members including a Chief Officer appointed by the Board.

The IJB has 3 Committees supporting the Board: -

The Audit and Assurance Committee chaired by a member of the IJB and comprising 3 further IJB members, provides assurance to the IJB that it is fulfilling its statutory requirements. During 2023-24 the Audit and Assurance Committee met 6 times.

The Quality and Communities Committee (QCC) chaired by a member of the IJB and comprising a further 11 members of the IJB providing assurance to the IJB on the quality and safety of services as defined in the integration scheme. The QCC met on 6 times during the financial year.

The Finance, Performance and Scrutiny (FPS) Committee chaired by a member of the IJB and comprising 6 further IJB members review the financial position and monitor performance against key non-financial targets in accordance with the scope of services as defined in the Integration Scheme. The FP&S Committee met on 6 occasions during 2023-24.

In addition to the above individual Governance Committee meetings an extraordinary, combined committee was convened during 2023-24 to allow all members the opportunity to discuss and scrutinise a transformation project.

The main features of the governance framework in existence during 2023-24 were:

- Bi-monthly meetings of the IJB and associated Governance Committees together with Development Sessions for IJB members.
- Code of Conduct and Register of Interests for all IJB members.
- Bi-monthly Strategic Planning Group and Local Partnership Forum meetings.
- Chief Officer in post for the duration of 2023-24.
- Chief Finance Officer (CFO) in post for the duration of 2023-24.
- Liaison between IJB internal audit and Fife Council and NHS Fife internal audit functions.

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision, and delegation. During 2023-24 this included the following:

- Provision of regular financial reports to the IJB.
- Approval and adoption of revised performance framework.
- Approval and adoption of Annual Internal Audit Plan.
- Approval and adoption of Committee Assurance Principles.

Overview of Areas for Improvement and Development during 2023-24

Areas for improvement to further strengthen the IJB's governance arrangements and systems of internal control were identified within the IJB Annual Accounts for 2022-23. A progress update on these actions is detailed below: -

Improvement Area	Action Undertaken
Formal adoption and implementation of self-assessment governance review to provide focus on key areas of development. Further work will be required to refine.	<i>Complete</i> A revised Committee/Board member self-assessment for approved and implemented in September 2023. Action plans have been developed.
Review of Directions Policy	<i>Complete</i> A revised Directions Policy was presented to and approved by the IJB in May 2024.
Creation of new HSCP Website	<i>Complete</i> The design and implementation of a revised HSCP Website was completed and launched on 27 th March 2024.
Continuation of review of all strategies which support the Strategic Plan	<i>Ongoing</i> A number of supporting strategies were approved by the IJB during 2023-24 these were Carers Strategy, Commissioning Strategy, Advocacy Strategy and the Home First Strategy. Work is progressing to develop the remaining supporting strategies.
Refresh of Performance Framework	<i>Completed</i> A refreshed Performance Framework for development and formally approved by the IJB on 29 th September 2023.
Review of information flow from SLT to Governance Committee/IJB	<i>Ongoing</i> The continuous development of a business reporting tool with enable more effective and efficient information flow.
Roll out of Care Opinion	<i>Complete</i> The full roll-out of Care Opinion was completed in May 2023.

Overview of Areas for Improvement and Development for 2024-25

Following consideration of the adequacy and effectiveness of the IJB governance arrangements, in addition to the ongoing continuous improvement actions from 2023-24, further actions will be progressed in 2024-25 to strengthen the good governance controls. These actions are detailed in the table below: -

Key Actions for 2024-25
<ul style="list-style-type: none"> • Strong financial management to contain costs given the ongoing financial challenges.

- Continuous development of management information enabling proactive financial decisions by budget holders
- Regular dialogue between finance professionals and HSCP managers to enhance the financial monitoring process
- Continue sustained focus on compliance with the issuing and delivery of Directions to partners.
- Maximising the potential to utilise data reporting from the new social work/social care case management system, with a view to improving financial forecasting and reducing risk from reliance on manual recording.
- Refresh of publication scheme.
- Annual refresh of Scheme of Delegation to incorporate recommendations from Internal Audit reports.
- Implementation of Risk Appetite into Committee Reporting.
- Revised business planning reporting tool.
- Development of on-line member induction training.

Roles and Responsibilities

The IJB complies with the CIPFA Statement on “The Role of the Chief Financial Officer in Local Government 2016”. The IJB’s Chief Finance Officer has overall responsibility for the IJB’s financial arrangements and is professionally qualified and suitably experienced to lead the IJB’s finance function and to direct finance staff.

Reliance is placed on the existing counter fraud and anti-corruption arrangements in place within each partner which have been developed and are maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).

The IJB Internal Auditors, the NHS Fife Internal Audit Team as appointed by the Audit and Risk Committee, comply with the “The Role of the Head of Internal Audit in Public Organisations” (CIPFA) and operate in accordance with “Public Sector Internal Audit Standards” (PSIAS). The NHS Fife Chief Internal Auditor reports directly to the Audit and Risk Committee with the right of access to the Chief Financial Officer, Chief Officer, and Chair of the IJB Audit and Assurance Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment and is approved by the Audit and Assurance Committee.

The Audit and Assurance Committee performs a scrutiny role and monitors the performance of the Internal Audit services to the IJB. The functions of the Audit and Assurance Committee are undertaken as identified in Audit Committees: Practical Guidance for Local Authorities. The IJB’s Chief Internal Auditor has responsibility to review independently and report to the NHS Audit and Risk Committee annually, to provide assurance on the governance arrangements including internal controls within the IJB. In addition, the Internal Audit sections of Fife Council and NHS Fife are subject to an independent external assessment of compliance with the PSIAS at least once every 5 years.

Review of Adequacy and Effectiveness

The IJB is required to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review was informed by the IJB's risk management framework, the IJB Assurance Statement, and internal and external audit reports.

In reaching a balanced financial position for 2023-24, the IJB utilised reserves, resulting in a reserves balance below the policy minimum. In addition, to continue to meet their statutory obligation to deliver financial balance NHS Fife increased their brokerage request to Scottish Government. As a result, both partners were required to provide funding as per the risk share agreement contained within Section 8.2 of the Integration Scheme.

The above compounds the level of risk the IJB will be exposed to in relation to financial sustainability in future years.

Strong financial management will be required in order to control and contain costs where possible, recognising that the Health and Social Care Partnership has drawn down significant reserves during 2023-24 to mitigate areas of pressure. The Council continues to replace a number of legacy systems and during the year, the social work/social care case system transferred from SWIFT to Liquidlogic. The system which is required to provide an accurate record management system for service users across social work children and families, adults, older people, and criminal justice. The system also has a payment recording system called controcc which links to Fife Council's Oracle system. The focus has been on implementation and to deal with issues arising from implementation, and this has meant that the data in the system is not yet reliable for financial forecasting. The coming year will see more focus on ensuring that the value of using a more modern system is maximised, and that the integrity of the data is improved to allow improved financial forecasting processes.

Recognising the movement in the outturn position a commitment has been given to undertake further due diligence by way of a lessons learned exercise which will report back any findings and associated action plan to Audit & Assurance Committee in the new financial year.

A suite of whole system measures will be implemented to strengthen controls and reduce risk where possible. A key component to the success of this mitigation is the ongoing dialogue between the Chief Finance Officer and Directors of Finance from both NHS Fife and Fife Council.

The annual internal audit assurance report in respect of Fife IJB's overall arrangements for risk management, governance, and control for the year to 31 March 2024 concluded that,

Reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2023/24 in the following areas:

- *Corporate Governance*
- *Clinical and Care Governance*
- *Staff Governance*

• Information Governance

The IJB did have financial governance controls in place, but these were not effective in all areas. The Lessons Learned Financial Movement Review highlighted areas where controls were not sufficient to mitigate risk, alongside existing controls, and corrective action.

In my opinion, the corrective actions as described in the Lessons Learned Financial Movement Review presented to the 3 July 2024 FPSC are appropriate and proportionate. Internal audit did not audit the Lessons Learned Financial Movement Review as this is out with the scope of this annual report.

Conclusion and Opinion on Assurance

On the basis of assurances provided, we consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB’s principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment. We remain committed to monitoring implementation as part of the next annual review.

It is our opinion that reasonable assurance, subject to the matters noted above, can be placed upon the adequacy and effectiveness of the Fife Integration Joint Board’s systems of governance.

Fiona McKay

Arlene Wood

Fiona McKay
Interim Chief Officer

Arlene Wood
Chair of the IJB

Date 27 September 2024

Date 27 September 2024

Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services commissioned for the year in accordance with the integration scheme.

2022-23				2023-24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
64,717	-	64,717	Hospital	77,071	-	77,071
126,620	-	126,620	Community Healthcare	146,181	-	146,181
191,891	-	191,891	Family Health Services & Prescribing	209,972	-	209,972
15,789	-	15,789	Children's Services	17,737	-	17,737
268,973	-	268,973	Social Care	285,256	-	285,256
1,329	-	1,329	Housing Services	1,737	-	1,737
269	-	269	IJB Operational Costs	304	-	304
46,168	-	46,168	Acute Set Aside	50,920	-	50,920
715,756	-	715,756	Cost of Services	789,178	-	789,178
	(694,169)	(694,169)	Taxation and Non-Specific Grant Income		(756,190)	(756,190)
0	0	21,587	(Surplus) or Deficit	0	0	32,988
		21,587	Total Comprehensive Income and Expenditure			32,988

There are no statutory or presentation adjustments which affect the IJB's application of the funding received by NHS Fife and Fife Council. 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 presents the movement during the year on the reserves held by the IJB. The movements which arise due to statutory adjustments which affect the General Fund Balance will be separately identified from the movements due to accounting practices, if required.

Movements in Reserves During 2023-24	General Fund Balance £000	Total Reserves £000
Opening Balance at 31st March 2023, brought forward	(37,719)	(37,719)
(Surplus)/ Deficit on provision of services	32,988	32,988
Total Comprehensive Income and Expenditure	32,988	32,988
Balance as at 31 March 2024, carried forward	(4,731)	(4,731)
Movements in Reserves During 2022-23	General Fund Balance £000	Total Reserves £000
Opening Balance at 31st March 2022	(79,712)	(79,712)
Returned Covid to Scottish Government	20,405	20,405
Adjusted Balance as at 31 st March 2022	(59,307)	(59,307)
(Surplus)/ Deficit on provision of services	21,587	21,587
Total Comprehensive Income and Expenditure	21,587	21,587
Balance as at 31 March 2023, carried forward	(37,719)	(37,719)

Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2024. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2023		Notes	31 March 2024
£000			£000
42,605	Short term Debtors	6	5,009
42,605	Current Assets		5,009
4,886	Short-term Creditors	7	278
4,886	Current Liabilities		278
37,719	Net Assets		4,731
37,719	Usable Reserve: General Fund	8	4,731
37,719	Total Reserves		4,731

The Statement of Accounts present a true and fair view of the financial position of the Fife Integration Joint Board as at 31 March 2024 and its income and expenditure for the year then ended.

The audited accounts were issued on 27 September 2024.

Audrey Valente

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Audrey Valente - CPFA
Chief Finance Officer

27 September 2024
Date

Notes to the Financial Statements

1. Significant Accounting Policies

1.1 General Principles

The Financial Statements summarises the Integration Joint Board's transactions for the 2023-24 financial year and its position at the year-end of 31 March 2024.

The Fife Integration Joint Board was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Joint Venture between Fife Council and NHS Fife. The IJB 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).

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

1.2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Expenditure is recognised when goods or services are received, and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income and receipt of the income is probable.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

1.3 Funding

The Fife IJB is primarily funded through funding contributions from the statutory funding partners, Fife Council and NHS Fife. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in the Fife IJB area.

This funding was reported on a net expenditure basis from NHS Fife and Fife Council.

1.4 Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB 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 IJB's Balance Sheet. All monies held on behalf of IJB were held by partners, the reserves balance is held by Fife Council on behalf of the IJB.

1.5 Employee Benefits

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

The IJB has a legal responsibility to appoint a Chief Officer. The Chief Finance Officer is a non-voting board member. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. The Chief Officer's and Chief Finance Officer's absence entitlement as at 31 March have not been accrued as it is not deemed to be material.

There are no further charges from funding partners for other staff and these costs have remained with the funding partners.

1.6 Material Items of Income and Expenditure

There are none noted at this time.

1.7 VAT

The Integration Joint Board is a non-taxable person and does not charge or recover VAT on its functions.

The VAT treatment of expenditure in the IJB's accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where Fife Council is the provider, income and expenditure exclude any amounts related to VAT, as all VAT collected is payable to H.M. Revenue and Customs and all VAT paid is recoverable from it. Fife Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from H.M. Revenue and Customs.

Where NHS Fife is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as Income from the IJB.

2. Critical Judgements in Applying Accounting Policies & Uncertainty about future events

In applying the accounting policies, the IJB has had to make certain judgements about complex transactions or those involving uncertainty about future events. Critical judgements are as follows:

2.1 Set Aside

The funding contribution from NHS Fife includes £50.920m in respect of 'set aside' resources relating to acute hospital and other resources. The IJB has responsibility for the consumption of, and level of demand placed on, these resources, however the responsibility for managing the costs of providing the services remain with NHS Fife. Therefore, the overspend incurred by the service has not been included in these accounts and is borne by NHS Fife.

2.2 Public Sector Funding

There is a high degree of uncertainty about future levels of funding for Local Government and the NHS and this will directly impact on the IJB.

Funding from partners has reduced significantly and it is anticipated that this will continue in the coming years. Savings proposals have been developed for the next 3 years and work is ongoing to ensure that these are delivered at pace.

3. Events After the Reporting Period

The Chief Finance Officer issued the draft accounts on 27th June 2024. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4. Expenditure and Income Analysis by Nature

2022-23 £000		2023-24 £000
270,302	Services commissioned from Fife Council	286,993
445,185	Services commissioned from Fife NHS Board	501,881
241	Other IJB Operating Expenditure	271
28	Auditor Fee: External Audit Work	33
(694,169)	Partners Funding Contributions & Non-Specific Grant Income	(756,190)
21,587	(Surplus) or Deficit	32,988

5. Taxation and Non-Specific Grant Income

2022-23 £000		2023-24 £000
(481,647) (212,522)	Funding Contribution from NHS Fife Funding Contribution from Fife Council	(535,816) (220,374)
(694,169)	Taxation and Non-specific Grant Income	(756,190)

The funding contribution from NHS Fife shown above includes £50.920m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by NHS Fife which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources. There are no other non-ringfenced grants and contributions.

6. Debtors

31 March 2023 £000		31 March 2024 £000
14 42,591	NHS Fife Fife Council	1 5,008
42,605	Debtors	5,009

7. Creditors

31 March 2023 £000		31 March 2024 £000
4,858 - 28	NHS Fife Fife Council External Audit Fee	277 - 1
4,886	Creditors	278

8. Usable Reserve: General Fund

The IJB could hold 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 IJB's risk management framework.

2022-23		2023-24						
Balance at 31 March 2023 (restated)		Transfers Out 2023-24	Transfers in 2023-24	Movement in Reserves (MIRS)	Balance at 31 March 2024	Movement in Reserves (MIRS) (Overspend)	Carried forward at Year End	Balance held for use in 2024-25
£000		£000	£000	£000	£000	£000	£000	£000
(952)	Primary Care Improvement Fund *	952						
(1,455)	Mental Health - R&R, PT, Action 15 *	233			(1,222)			(1,222)
(316)	District Nurses	316						
(1,619)	Alcohol and Drugs Partnership	300			(1,319)	1,319		
(1,339)	Community Living Change Plan	195			(1,144)			(1,144)
(800)	Care Homes - Nursing support	800						
(103)	Budival	103						
(9)	Child Healthy Weight	9						
(300)	Acceleration of 22-23 MDT recruitment	245			(55)	55		
(2,166)	Multi-Disciplinary Teams	2,166						
(785)	GP Premises*	602			(183)			(183)
(47)	Afghan Refugees	47						
(259)	Dental Ventilation	79			(180)	180		
(106)	Interface Care	61			(45)	45		
(1,288)	Interim beds	1,288						
(69)	Telecare Fire Safety	69						
(407)	Self-Directed Support (SDS)	407						
(93)	Workforce Wellbeing Funding	68			(25)	25		
(146)	School Nurse	146						
(313)	Remobilisation of Dental Services				(313)	313		
(112)	Near Me	112						
(69)	Learning Disability Health Checks	69						
(100)	Family Nurse Partnership	100						
(279)	Development of Hospital at home	230			(49)	49		
(20)	Breast Feeding	20						
(25)	Delayed Without Discharge	25						
(125)	Long Covid	12			(113)	113		
(2,923)	Urgent care / Navigation Flow Hub*	1519			(1,404)	1,404		
	Anti-Poverty		47		(47)			(47)
	FVCV						(900)	(900)
(16,225)	Total Earmarked	10,173	47	10,126	(6,099)	3,503	(900)	(3,496)
(21,494)	Contingency/ Uncommitted/ Covid Balance *	11,589		11,589	(9,905)	8,670		(1,235)
(37,719)	General Fund Reserve Total	21,762	47	21,715	(16,004)	12,173	(900)	(4,731)

* Prior year balance restatements – £0.299m was corrected and moved from PCIF to GP Premises. Mental Health and Mental Health Recovery were combined to one line. Urgent Care and Navigation Flow were corrected and combined to one line for 2023-24. Small covid balance was moved from Earmarked to Uncommitted/Covid Balance

9. Related Party Transactions

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

Transactions with NHS Fife

2022-23 £000		2023-24 £000
(481,647)	Funding Contributions received from NHS Fife	(535,816)
445,185	Expenditure on Services Provided by NHS Fife	501,881
120	Key Management Personnel: Non-Voting Board Members	135
14	External Audit Fee	17
(36,328)	Net Transactions with NHS Fife	(33,783)

Key Management Personnel: The non-voting Board members directly employed by NHS Fife and recharged to the IJB are the Chief Officer and the Chief Finance Officer. Details of the remuneration for the specific post-holders is provided in the Remuneration Report.

Balances with NHS Fife

31 March 2023 £000		31 March 2024 £000
14	Debtor balances: Amounts due from NHS Fife	1
4,858	Creditor balances: Amounts due to NHS Fife	277
4,872	Net Balance with NHS Fife	278

Transactions with Fife Council

2022-23 £000		2023-24 £000
(212,522)	Funding Contributions received from Fife Council	(220,374)
270,303	Expenditure on Services Provided by the Fife Council	286,992
121	Key Management Personnel: Non-Voting Board Members	136
14	External Audit Fee	16
57,916	Net Transactions with Fife Council	66,770

Key Management Personnel: The Non-Voting Board members employed by Fife Council and recharged to the IJB is the Chief Finance Officer. Details of the remuneration for the specific post-holders is provided in the Remuneration Report.

Balances with Fife Council

31 March 2023 £000		31 March 2024 £000
42,577	Debtor balances: Amounts due from Fife Council	5,008
-	Creditor balances: Amounts due to Fife Council	-
42,577	Net Balance with Fife Council	5,008

Support services were not delegated to the IJB and are provided by NHS Fife and Fife Council free of charge. Support services provided mainly comprised: provision of financial management; human resources; legal; committee services; ICT; payroll; internal audit, and the provision of the Chief Internal Auditor.

10. External Audit Fee

The IJB has incurred costs of £33,360 in respect of fees payable to Azets with regard to external audit services carried out in 2023-24 (2022-23 £34,470). Additional wider scope work was agreed in September and an additional fee of £3,600 was charged.

11. Contingent Assets and Liabilities

The IJB is not aware of any material contingent asset or liability as at 31 March 2024.

The IJB is a member of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) established by the Scottish Government which reimburses costs to members where negligence is established.

All amounts in respect of claims or reimbursement by CNORIS, which may arise under the CNORIS scheme are reported in NHS Fife Accounts.

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

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Fife Integration Joint Board for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023/24 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Fife Integration Joint Board as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

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

Conclusions relating to going concern basis of accounting

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

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

These conclusions are not intended to, nor do they, provide assurance on Fife Integration Joint Board's current or future financial sustainability. However, we report on Fife Integration Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Reporting on other requirements

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

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

Other information

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

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

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

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial

statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Chris Brown, for and on behalf of Azets Audit Services
Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Chris Brown

Date: 30 September 2024