



**Fife Health
& Social Care
Partnership**

Fife Integration Joint Board Audited Annual Accounts

For the Financial Year to 31 March 2023

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MANAGEMENT COMMENTARY

Introduction

This commentary provides an overview of progress against the objectives and strategy of the Fife Integration Joint Board (IJB). It considers our Financial Performance for the year ended 31st March 2023 and provides an indication of risks and issues which may impact upon finances in the future.

The Coronavirus (Covid-19) pandemic continued to have an impact on service delivery. The financial position was monitored via the Local Mobilisation Plan and the Scottish Government funded the additional costs of Covid-19 in 2022/23. Covid-19 specific funding ceased at the end of 2022/23 and all expenditure incurred, apart from vaccination costs, will become business as usual. Sustainability payments have now ended. However, there are still ongoing costs of staffing for wards open due to Covid-19, PPE costs, staff cover for those who have contracted Covid-19 and increased cleaning. It is essential that we continue to manage these costs to ensure the impact on the outturn position is minimised. Adherence to governance and strong financial management will be key.

The increased cost of living has also had an impact on services and providers, increased costs of energy, pay, inflation, fuel, and food costs have caused difficulties in remaining sustainable for some providers and we have provided some assistance across our third and voluntary sectors. A depleting workforce has also impacted on performance and ability to deliver services.

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 and 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. We have 16 staff across the partnership participating in a Systems Leadership course which will help roll out of the systems leadership ethos across the partnership.

We created an Extended Leadership Team in 2020 initially via Teams, which has now been moved to 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 will be held bi-annually, relationship building and whole system working is key.

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.

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/_data/assets/pdf_file/0021/453144/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 plan was developed, consulted upon, and agreed with health, social care, voluntary and independent sectors along with the public prior to being approved by the IJB. The Plan is a live document, and we will continue to engage with all those interested in health and social care to deliver the outcomes as described.

Over the last few years, the coronavirus pandemic has had a substantial impact on the health and wellbeing of individuals and their communities. It has also increased the demand for social care services, highlighted high levels of inequalities in the health of the population, and changed the way that we all live our lives. The past few years have been incredibly difficult for the people that we care for, and for the employees and other individuals involved in delivering that care. The ongoing impact of the pandemic, and unprecedented demand over the winter period, has created increased demand for health and social care services and reduced options through both ward and care home closures, and challenges in community care capacity. These factors have produced unprecedented pressures on our workforce. Despite the challenges on services of the ongoing pandemic, we have adapted the way we work internally, as well as with partner organisations. We have shown how important integration is and what can be achieved by working together with a common goal of providing the best person-centred care and support we can for our communities ensuring that we continue to strive to meet our five key priorities.

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 7 enabling strategies.

Digital

During 2022/23 hybrid working continued, where appropriate, with a mix of office and home working. This helps to support staff wellbeing and provide a good work life balance. Microsoft Teams has continued to develop and has improved connectivity across partner agencies.

The use of digital technology has been at the forefront of plans and Near Me was rolled out in Fife, following a pilot in early 2022. Joint funding for 12 months was agreed with the Scottish Government and the project team was formed in September 2022. A commitment was made to enable all teams across Fife Social Work Services (Adults, Older People, Hospital Discharge and Mental Health) to make use of the Near Me video consultation technology. Work is also underway with the with care home and hospital discharge teams to ensure they also have the capability to make and receive Near Me video calls as required. By March 2023, 157 practitioners had received training. The use of Near Me will provide savings from avoided travel, shorten discharge timescales, and improve outcomes from situations where family members, or other colleagues such as care providers, advocates, or health practitioners, have joined the video call for a more rounded discussion.

The eRostering scheduling tool is being rolled out as part of a national framework. We hope to see benefits from this system which will allow us to design and plan rosters around the number of and clinical needs of patients and give real time visibility of staffing levels and demand for temporary staff. It will allow us to deliver workforce efficiencies through reductions in agency spend, it will reduce the need for duplicate data entry, improve and simplify the absence management process and enable shift swaps.

Morse was introduced in August 2021 and is now in the final stages of roll out to users. Morse is a 'real time' clinical and administrative record, accessible by partners in primary and secondary care, has brought many benefits, including clinical assessments for patients in the community being accessible on the same day and all calls being received on a single point of access meaning that further advice can be given with knowledge of previous calls, this is positive for patient safety, efficiency, and continuity of care.

Implementation of our new social care case management recording system Liquidlogic has been a transformational project as the biggest technology change in two decades. Our chosen replacement, Liquidlogic Adult System (LAS) went live in early April 2023. LAS offers us a clear focus on the supported person and their outcomes, giving a visible chronology of all key aspects of their journey and allowing this to be shared with relevant partnership staff. It provides a central source to record information once and eliminates the need for duplication of data entry. It also includes the ContrOCC Finance element which is being implemented in a phased approach and is integrating with our corporate finance system Oracle. Social care services are now requested, assessed, planned, approved and with payments authorised for release to ORACLE for payment via a system automated approach. Social care managers now have full oversight for each stage for all Nursing and Residential Care services and the phased implementation is progressing for Direct Payments and Care at Home service provision.

Home First

Our Home First Strategy has been developed and sets out the transformational initiatives relevant to the three critical elements of the strategy: 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 transform the discharge process, by integrating health and social care and maximising the collaborative working that exists in Fife. The vision of the Strategy is that "everyone in Fife is able to live longer healthier lives at home or in a homely setting". 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. A key objective is to have a single point of access, across all community settings.

Ensuring people flow from hospital to a homely setting remains a priority; in 2023 we continue to embed the Planned Date of Discharge without Delay (DWD) outcomes across Fife. Discharge without Delay Programme aims to improve the patient journey, from the initial point of a hospital stay preventing any delays through early and effective planning. A key outcome is to reduce prolonged hospital stay to what is clinically and functionally essential, getting patients to return home or to a homely setting at the earliest and crucially safest opportunity. This initiative is based on an improved system of working, with smoother, more seamless integrated working between NHS and Social Care Teams. DWD puts the patients at the centre of planning for discharge, preventing delay where at all possible.

During 2022/23 Interim care home beds continued to be used to allow individuals to leave hospital, and receive enablement support in a homely setting, allowing them to build confidence and maintain daily living skills to support a return home and a suitable care package being available. Funding was provided by SG to allow us to pay an additional 25% on top of the rate, to enable us to secure beds, this funding was short term from January to year end.

Despite the pandemic increasing the costs of construction and limitations on site, the Methil Care Village replacement project has continued and is planned to be ready for residents to move in during June 2023. The project has been a joint initiative with Fife Council Children and Families - Early Years, and Housing Services. The end product will be an integrated nursery and residential care home as part of a wider care village. The achievement this year has been the integrated approach to developing practice between the Early Years and Care Home staff - developing an integrated approach to caring for children and older people.

Six months prior to the Covid-19 pandemic, we reconfigured resources to offer a professional-to-professional telephone hotline to ensure immediate access for all professionals in Fife to specialist advice and clinical assessments and enabled efficient oversight and coordination of our resources for palliative care. By April 2020, and in direct response to the emerging pandemic, many more people expressed a preference for home-based rather than in-patient care, resulting in under-utilised specialist in-patient hospice beds. In parallel, demand for community specialist palliative care rose significantly. In response to the expressed needs of patients, families, and carers, the we reduced the number of specialist in-patient hospice beds and aligned the staffing resource to establish an agile, multidisciplinary FSPCS Community Outreach Team, equipped to deliver high quality specialist palliative care across all care and residential settings 7 days a week. This model is aligned to National and Local Strategy, specifically addressing the Scottish Government Strategic Framework for Action on Palliative and End of Life Care which set out the aim that “by 2021, everyone in Scotland who needs palliative care will have access to it”. This innovative model has been in place, delivering an enhanced clinical service over the past three years, and will be presented to the IJB in May, to request support to make the model permanent. It has resulted in improved service performance and corresponding improvement in patient and carer experience, increasing from a previous daily maximum of 19 patients receiving specialist multidisciplinary care in the hospice to a community caseload of 60-70 patients and families and our waiting list time has more than halved. Electronic health records on MORSE, enable better joined up care for shared patients.

Mental Health

Mental Health remains a priority and work is ongoing on an updated Mental Health Strategy. Link Life Fife is a non-clinical community led support service provided by the Partnership for anyone aged 18 and over in Fife who is reaching out to their GP or other health professional within Primary Care for support to manage stress, anxiety, or feelings of being overwhelmed that are affecting their mental health or general well-being. LLF received 1045 referrals in 2022/23 with an overall engagement rate of 72%. Most of the support provided is by a combination of telephone and face-to-face contact. Support given by Link Workers includes referring, signposting, connecting people to self-directed support; mental health support; social community groups; befriending, foodbanks; welfare support and family groups.

Prevention & Early Intervention

The Prevention and Early Intervention strategy is being developed as one of nine key strategies defined in the HSCP Strategic Plan 2023-26. This Strategy has a framework to support 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.

Further support is provided by The Well, where the public can drop-in, both in the community and online and find out information and receive general advice to help stay well and independent within the local community. During 2022/23 1192 individuals engaged with The Well.

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 2022/23

During 2022/23 Services continued to work within government guidelines and restrictions and the continued effects of the coronavirus pandemic (Covid-19). Demand on services continues and we have had to respond to these challenges by looking at new ways of working and increased use of technology to ensure the health and social care needs of the most vulnerable people in our communities are met.

Since March 2020 ways of working changed; mobile and home working have proven to be very efficient and will continue. A hybrid of home, office and mobile working affords our workforce a better work life balance, whilst still maintaining social care services to the people of Fife.

During 2022/23, regular meetings continued 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. The actions taken throughout this pandemic have supported integrated working. Integrated and whole system working remain key.

Rising demographics and people with complex needs living longer continue to put pressure on our systems. The longer- term effects of Covid-19 / Long Covid are not yet known, and Mental Health related illness is also expected to increase.



374,130 People living in Fife (growth rate 0.2%)
62% aged 16-64 years, 12% aged 65-74 and 21% aged over 75 years (Under 65's expected to fall by 2028, whereas 65-74's are expected to increase by 10% and over 75's by 31% by 2028)



Life expectancy is 81.4 years for females and 77.2 years for males in Fife
Healthy life expectancy is 59.0 years for females and 57.4 years for males in Fife



Depression is the 2nd largest cause of ill health, anxiety disorders is 4th
The pandemic has been associated with increased loneliness, anxiety, depression and stress

Going forward it is extremely clear that we must respond to changing needs and wants and services must be modernised. This includes greater use of technology, and we must continue to provide new and innovative methods of service delivery as we have proven through the pandemic years that we can 'get things done'. Transformational change business cases are being developed to improve the way we work and Early Intervention is a key strategy to focus where funding requires to be allocated, with an aim to reduce further spend in future.

Key Performance Indicators

The performance relating to Partnership service includes both national and local performance as well as management performance targets. Many of these measures are already regularly included and referenced in reports to NHS Fife and Health & Social Care Partnership Committees.

The Ministerial Strategic Group for Health and Community Care (MSG) have identified indicators which require to be tracked by Integration Joint Boards, there are 14 indicators within the following categories:

- 1) Emergency admissions
- 2) Unscheduled hospital bed days
- 3) Emergency department activity
- 4) Delayed discharges
- 5) End of life care
- 6) Balance of care

The indicators are reviewed on a rolling annual basis.

The performance picture across the Partnership continues to be variable and reflects the complex mix of services, seasonal variation and the current challenging national landscape for health and social care.

The National MSG Indicators (Ministerial Strategic Group for Health and Community Care) show improvements in Emergency Admissions, Number of unscheduled hospital bed days and Delayed Discharge bed days. The proportion of the last 6 months of life spent at home or in a community setting has remained static with just a 0.1% reduction, however A&E attendances have increased in year.

Length of stay prior to discharge from hospital has reduced from 79 days in 2021/22 to 58 in 2022/23, this increased from 48 days in February 2023 and exceeds our 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 interim beds in care homes to step down from hospital, as well as growing care at home packages externally to minimise the length of stay.

Demand for care at home services has improved significantly and has reduced from 396 people waiting in March 2022, to 133 in March 2023 (based on commissioning information at a point in time). The 133 people equates to 1156.7 hours of care per week. The average number of care hours per package was 9 hours per week in 2022/23. This is partly due to payments to service users for self-directed support, which is funding utilised to employ PA services. Additionally, there has been an overall increase in packages delivered to service users. External hours have increased from 16,206 hours (2021/22) to 21,271 (2022/23) hours for older people. The Care at Home Collaborative, supported by Scottish Care, started in November 2021, bringing together 15 care at home providers to work better together, to maximise resources and capacity to help service users return to their own home, following a period in an interim care home placement. This has been one of the main reasons in being able to increase our external hours commissioned and although there is now an overspend this will be monitored on a continuing basis to ensure the spend is brought back in line with the budget. Internal hours have a corresponding reduction from 11,318 hours In March 2022 to 10,704 hours in March 2023.

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 March 2023, no children or adolescents have waited more than 35 weeks for initial treatment and 89% have waited less than 18 weeks. The list has however increased towards year end (albeit it is half of what it was a year ago). Although the data suggests excellent progress in this area, Fife sits just below the Scottish average. CAMHS continue to attempt to recruit workforce.

Recruitment difficulties are being faced in Psychological Therapies, as is the case nationally. A creative approach to recruitment whereby lower grades of staff are working

with patients with less complex problems which in turn creates capacity with other more skilled staff to take on more complex presentations, has been introduced with a view to clearing the waiting times. Information will continue to be monitored but currently the wait list has increased to 2500, but with a reduction in numbers who have had to wait longer than 18 weeks.

Moving forward we are focusing on remobilisation and recovery, being mindful of the learning gained during the pandemic as well as considering the impact from other external factors including the cost-of-living crisis, climate change, and issues with workforce recruitment.

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.

For example, our new Carers Strategy 2023 to 2026 will deliver improvements directly linked to the National Indicator 8. Indicator 8 'the percentage of carers who feel supported to continue in their caring role' where Fife is currently slightly below the Scottish indicator. The new Strategy includes a statement of intent 'ensuring that unpaid carers are fully supported to have a life alongside caring, in order to protect their health and wellbeing and better sustain caring roles'. Our focus in this strategy is on what we will do in Fife to expand the range and types of support that will be available to carers, including short break support, based on what they have told us they need.

Indicator 2 'percentage of adults supported at home who agree that they are supported to live as independently as possible' has increased and is now close to the Scottish Average. A test of change within the Hospital at Home Service facilitates the implementation of in-reach Nurse Practitioner's to commence Hospital at Home step down assessments within the acute setting. By testing this model of care, the service aims to facilitate timely and safe discharge to the Hospital at Home service, with clear intervention plans. The test aims to increase capacity and caseloads as a result of more streamlined and efficient triage and assessment process and aims to offer seven day a week in reach. It is hoped this will improve patient experience. Funding for the test of change, secured from Health Improvement Scotland has also enable essential pieces of additional equipment to be purchased that will allow appropriate activity to be carried out on one visit by an individual clinician.

We have also reduced the number of days that older adults spend in hospital after they are ready to be discharged home (Indicator 19). This links to our Home First Strategy and Discharge without Delay programmes. A key outcome is to reduce prolonged hospital stay to what is clinically and functionally essential, getting patients to return home or to a homely setting at the earliest and crucially safest opportunity. The data from Public Health Scotland shows the national target of 5% 'Hospital Bed Days Lost to Standard Delays' has been met during the months of December 2022 and

January 2023. Bed Days Lost remains below average and has significantly fallen in 2022, compared to 2021 and continues on this trend into 2023.

In Fife we have established 7 locality groups which are aligned to the Fife Council local area committees. The purpose of locality planning is for relevant service providers across different sectors, at all levels (clinical and non-clinical) to come together with people and communities who use services to improve health and wellbeing outcomes. The locality core groups were remobilised in May 2022. To ensure the quality of localities' they must function with the direct involvement and leadership of health and social care Senior Leadership Team, health and social care professionals, housing sector, representatives of the third and independent sector and community planning partners. Each locality has identified short life working groups to take forward the thematic priorities which include: Supporting unpaid carers, Improving mental health & wellbeing, Supporting people affected by Drug / Alcohol Harm and Death, Home First, Living well with long term conditions

Tests of change were identified by locality core groups in 2022 and will be tested from May/June 2023.

One of these is within the Levenmouth Locality. "Public Health Policing" - Police Scotland raised a concern at the Levenmouth Locality group meeting in June 2022 regarding the number mental health (non-criminal) calls received. A short life working group concluded that funding be sought to test a mental health triage car in Levenmouth locality. The aims of the test of change are to provide an enhanced experience for individuals who contact services with a mental health need through timely access to specialist mental health care and assessment in the community, avoiding unnecessary conveyance to Accident and Emergency (A&E) where appropriate and identify potential benefits and limitations of mental health triage car. This links to indicator 12 – Emergency admission rate (per 100,000 population) where Fife's performance is below expected levels for Scotland but is showing improving against previous figures for Fife. The test for change is an excellent example of how we are working collaboratively to improve services for the people of Fife.

We appointed a new Service Manager for Strategy and Performance Management in April 2023 and will be developing a new performance framework. This will build on the current arrangements by creating better integration of performance related data across the partnership; more clearly linking performance to strategy and related activity; developing a wider set of indicators using a balanced scorecard approach; and generating greater insight from our rich data assets

Financial Performance 2022/23

The outturn position as at 31 March 2023 for the services delegated to the IJB are:

	Budget £000	Actual £000	Variance £000	Variance %
Delegated and Managed Services	648,001	669,588	21,587	3.3
Set Aside Acute Services	46,168	46,168	0	0.0

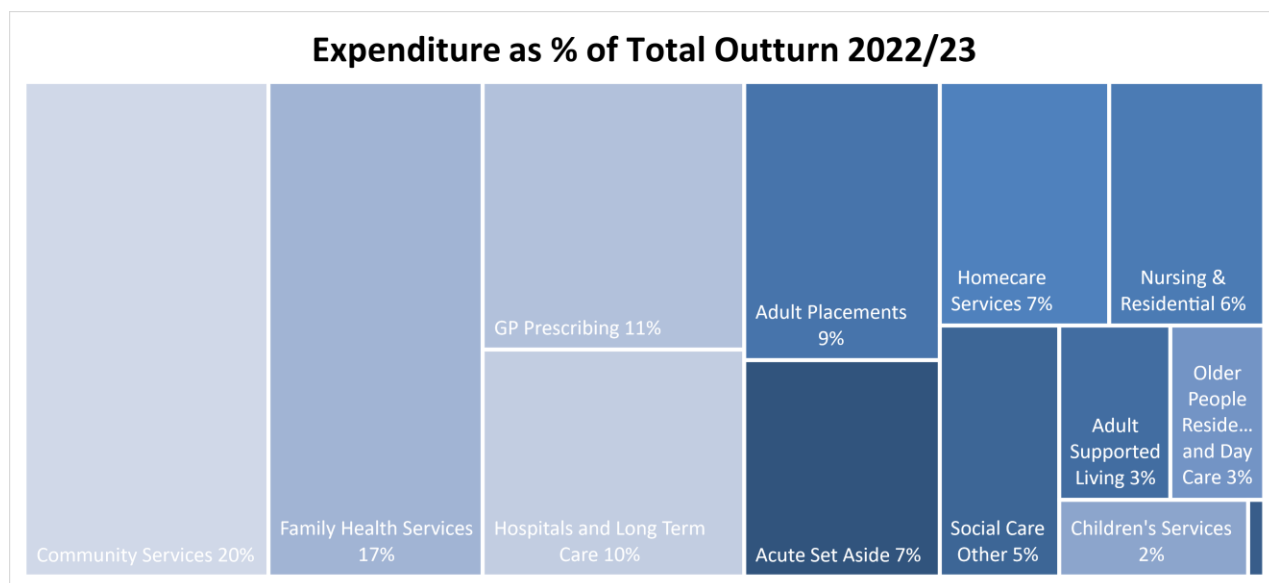
The IJB reported total income of £694.169m for the financial year 2022/23, which was made up of £648.001m integrated budget and £46.168m relating to set aside.

The IJB reported total expenditure for the financial year 2022/23 of £715.756m, which comprised of £669.588m spend on integrated services and £46.168m 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 £5.275m but these costs were borne by the Health Board. The cost to the IJB is the same as the budget of £46.168m 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. This position will be clearer by Summer 2023. 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 an extended timeline till Jan 2024 for stage 1 of the Bill with completion of stage 2 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 2022/23 was £79.212m. Scottish Government (SG) requested that earmarked reserves for areas such as Primary Care and Mental Health were utilised in year before any further allocations were provided, this reduced our earmarked balance by £18m. We held Covid-19 earmarked reserves of £35.993m, we were fully funded for all Covid-19 expenditure incurred and a net £20.405m was returned to SG for alternative use. Additional funding for specific purposes was received towards the end of the financial year of circa £6m and this was carried forward to earmarked reserves. The core position for the HSCP was an underspend of £8.463m, which was mainly due to vacancies and difficulties in recruitment. Due to the income being lower than expenditure and the use of reserves being required, a £21.587m deficit was reported in the Comprehensive Income and Expenditure Statement as at 31 March 2023.

There was no requirement to implement the risk share agreement during 2022/23 due to the planned use of the reserves.



Within the deficit position of £21.587m, the core underspend is £8.463m. The main areas of underspend within the Delegated and Managed Services are Community Services £7.776m, Older People Nursing & Residential £3.061m, Adults Five Wide £2.779m, Adults Supported Living £4.745m, and Social Care Fieldwork Teams £0.614m. These are partially negated by overspends on Hospital and Long-Term Care £5.614m, GP Prescribing £0.756m, Homecare Services £0.558m and Adult Placements £3.682m.

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 overspends in hospital and long-term care are mainly due to the use of agency staff and locums to cover vacancies. GP Prescribing is overspent due to an increase in the price per unit for drugs prescribed. An increase in direct payments and packages of care is the main reason for Homecare services has an overspend, a backdated pay award higher than anticipated in Social Care Other and an increase in the number of packages to meet demands results in an overspend in Adult Placements.

The IJB commenced 2022/23 with an uncertain and challenging financial position as the effects of the pandemic continued. Hospitals were under immense pressure, discharges were delayed, and the workforce continued to adapt to meet service needs and react to the pandemic.

The IJB approved budget was set predicated on implementing an approved saving plan to deliver £3.794m of savings which were brought forward from 2021/22. A report to IJB in March 2022, sought and gained approval for reserves to be utilised to fund two savings initiatives (£1.150m) for one year temporary, reserves were required to be used due to delays in the benefits from new systems being implemented.

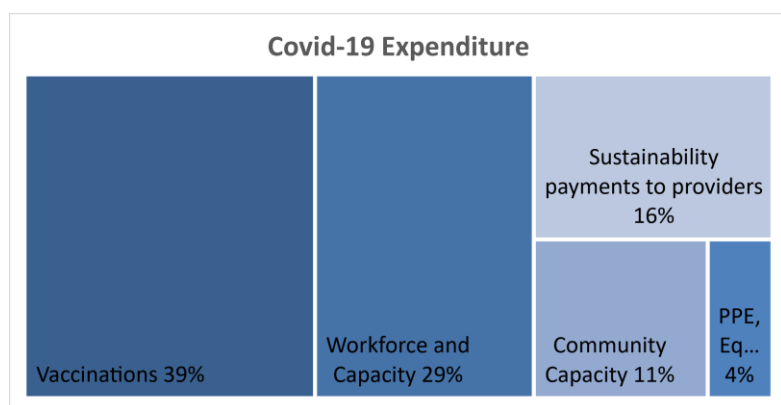
Savings of £2.513m were met in 2022/23 by services, however £1.281m was not met on a recurring basis and will require to be met on a recurring basis or using substitutes to ensure a balanced budget position.

Key pressures within the 2022/23 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 increased in year, due to Community Services, Day Care and Respite remaining on hold due to the pandemic.
- The significant increased demand to ensure the flow from hospital discharges was effective and timeous in moving service users to a home or homely setting, to free hospital beds for admissions. Care home beds were used as an interim measure to allow service users to free up hospital beds whilst waiting on care package availability.
- The inability to recruit staff to the Partnership which in some cases required higher cost recruitment for locum and agency staff to cover services.
- A number of GP Practices were handed back to the Board therefore the partnership incurred the associated costs of staffing these and providing cover.
- 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

Covid-19 Expenditure

Actual spend on Covid-19 in 2022/23 was £15.588m. This was fully funded by reserves. £35.993m was held in an earmarked reserve for Covid-19 expenditure in 2022/23. The Local Mobilisation Plan continued throughout 2022/23. At November SG requested that the balance not required should be returned for alternative use. Fife HSCP returned £21.487m, leaving a balance of £14.506m. Our LMP in month 12 required further funding to meet our costs of £15.588m. The additional £1.082m of funding was provided by SG.



Reserves

The Fife Integration Scheme (updated at March 2022), states that a planned underspend position for delegated and managed services will be held by the Integration Joint Board to be carried forward as a reserve.

The opening reserves balance at April 2022 was £79.212m. This included £35.993m for Covid-19 related expenditure. £15.588m was passed to services and a net £20.405m was returned to SG from Covid-19 reserves, leaving a minimal balance of £8k. In year allocations of £17.937m were allocated from earmarked reserves as instructed by SG.. £2.428m was allocated from uncommitted reserves, leaving a total balance of £23.362m remaining. Further to this, late funding received from Scottish Government of £5.894m was received and carried forward to reserves, and the underspend of £8.463m giving a total reserve of £37.719m at March 2023. The uncommitted balance represents 3% of total budget and is slightly higher than the recommended 2% in our Reserves policy.

	Balance B/fwd	Transfers out	Transfers in	Balance to C/fwd
Total Earmarked incl Covid-19	64.260	(53.922)	5.894	16.232
Uncommitted	15.452	(2.428)	8.463	21.487
Total Reserves	79.712	(56.350)	14.357	37.719

At March 2023, earmarked reserves total £16.232m and it is expected that this balance will be utilised in full during 2023/24. The remainder of the reserve, £21.487m as at March 2023, is available for use. Commitments of £6.136m were approved by IJB in 2022/23 and only £2.428m of this was utilised in year, the balance of £3.708m is required in 2023/24. Further to this the IJB approved the use of circa £10m for 2023/24 budgets savings, should it be required. Use of the balance of uncommitted reserves requires approval at Committee as per the Reserve Policy Governance.

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

2022/23 has been another difficult year with the effects of Covid-19 continuing throughout the year, and the cost-of-living crisis. Moving forward there is 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. This will be a significant challenge and a savings package of £21m will require to be delivered in 2023/24 rising to over £35m by 2025/26.

The tables below detail the savings year on year and also provide the projects approved by IJB in March that will be progressed as part of the Medium-Term Financial Strategy.

	2023/24	2024/25	2025/26
	£m	£m	£m
Cost of Continuing	666.977	682.205	697.793
Pressures	3.000	6.000	9.000
Funding Available	649.041	660.503	672.089
Total GAP	20.936	27.702	34.704

Opportunity	Type	2023/2024 £M
Modernising Administration Services	Transformation	0.500
Bed Based Model Transformation	Transformation	1.000
Integrated Management Teams	Transformation	0.500
Digital Sensor Technology- Transforming Overnight Care	Transformation	3.000
Transforming Centralised Scheduling	Transformation	0.087
Re-imagining the Voluntary Sector	Transformation	0.000
Home First Commissioning (External & Internal Care at Home, Care Homes)	Service Redesign	1.000
Community Service Redesign	Service Redesign	1.000
Day Service Redesign (older people)	Service Redesign	0.500
Implementation of Payment Cards	Service Redesign	1.000
Securing a sustainable medical workforce and reducing locum spend	Efficiency	0.500
Medicines Efficiencies programme 2023-2025	Efficiency	3.650
Use of Underspends	Efficiency	5.000
Maximising Core Budget (Alcohol and Drugs)	Efficiency	0.300
Supported Living Rents Income Maximisation	Efficiency	1.000
Integrated Workforce- Community Treatment and Care Services (CTAC) and Community Immunisation Services (CIS)	Efficiency	0.400
Nurse Supplementary Staffing	Efficiency	2.000
TOTAL		21.437

Reserves of £10m have been agreed to be earmarked to cushion the savings required in year, as many require detailed plans and business cases to be developed at pace over the coming months before the savings will come to fruition. Use of reserves is not a sustainable solution, as it only provides a short-term one-off funding, and we require transformational change to ensure we remain sustainable. Senior Leadership Team will provide regular updates during 2023/24 to provide assurance that these savings targets are on course to be met on a recurring basis.

Over the past 3 years services have shown they can adapt, work together, and get things done and the Transformation Team/Project Management Office will be integral to progressing whole system change going forward.

Finance will work closely with the Transformation Team to ensure savings, benefits and investments are captured and monitored. A robust governance model has been created that will inform future financial modelling.

It has become clear that the impact of the pandemic, Brexit and the increasing cost of living will remain for years to come and there will be pressure on services and core budgets. We need to adapt the way we work to allow us to provide essential services to the most vulnerable people.

The Senior Leadership Team will continue to consider all options, such as reconfiguring services, alternative operating models, opportunities to work with partners, and adapting current services to meet needs effectively to ensure we stay focused on key priorities and are providing the right services.

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 in 2023/24 and it will address the various new and additional pressures that will 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;
- Long Covid and the impact on the economy;
- 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.
- Prescribing -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.

During 2023/24 the review of the acute set- aside will be progressed and steps made towards transferring this to the Health and Social Care Partnership. We will see the continuation of a whole system approach to delivering services and the Fife pound being utilised to deliver services that best meets the needs of the people of Fife.

Conclusion

2022/23 has been another exceptional year and the partnership 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 in these unprecedented times.

Nicky Connor

A Wood

Audrey Valente

Nicky Connor
Chief Officer

Arlene Wood
Chair of the IJB

Audrey Valente
Chief Finance Officer

Date 29 September 2023

Date 29 September 2023

Date 29 September 2023

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 29 September 2023.

Signed on behalf of the Fife Integration Joint Board



Arlene Wood

Chair of the IJB

Date 29 September 2023

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 2023, and the transactions for the year then ended.

Audrey Valente
.....

Audrey Valente CPFA
Chief Finance Officer

Date 29 September 2023
.....

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 Graham 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 2022/23 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 (£) 2021/22	Senior Employees Salary, Fees & Allowances	Total (£) 2022/23
88,898	N Connor Chief Officer	93,207
81,119	A Valente Chief Finance Officer	84,446
170,017	Total	177,653

There were no payments to officers in 2022/23 or prior years in relation to bonus payments, taxable expenses, or compensation for loss of office. The amounts in the above table do include Thank You Payments from SG offered, if accepted.

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 2022-23	Contribution Rate 2022-23	Actual Pay 2021-22	Contribution Rate 2021-22
Up to and including £23,000	5.50%	Up to and including £22,300	5.50%
Above £23,001 and up to £28,100	7.25%	Above £22,301 and up to £27,300	7.25%
Above £28,101 and up to £38,600	8.50%	Above £27,301 and up to £37,400	8.50%
Above £38,601 and up to £51,400	9.50%	Above £37,401 and up to £49,900	9.50%
Above £51,401	12.00%	Above £49,901	12.00%

Pension Benefits for NHS

The NHS Board 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 funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employees contributions.

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

In 2022-23 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 31/03/22	For Year to 31/03/23		Difference from 31/03/22	As at 31/03/23
	£	£		£	£
N Connor Chief Officer	18,580	19,480	Pension Lump Sum	2,435 0	6,819
A Valente Chief Finance Officer	19,752	20,689	Pension Lump Sum	4,000 3,000	41,000 63,000
Total	38,332	40,169	Pension	6,435	47,819
			Lump Sum	3,000	63,000

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

Exit Packages

There were no exit packages paid in 2022/23 (2021/22, none).

Nicky Connor

A Wood

Nicky Connor
Chief Officer

Arlene Wood
Chair of the IJB

Date 29 September 2023

Date 29 September 2023

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.

2022/23 Governance Framework and System of Internal Control

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 5 further IJB members, provides assurance to the IJB that it is fulfilling its statutory requirements. During 2022-23 the Audit and Assurance Committee met 6 times.

The Quality and Communities Committee (QCC) provides 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 Committee reviews the financial position and monitors 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 2022-23.

The main features of the governance framework in existence during 2022/23 were:

- Revision of Governance Manual and associated documentation such as the code of corporate governance, standing orders, scheme of delegation, model code of conduct etc.
- Bi-monthly meetings of the IJB and redesigned Governance Committees together with Development Sessions for IJB members.
- Code of Conduct and Register of Interests for all IJB members
- Revised Strategic Leadership Team Meetings including Strategic, Business and Assurance
- Bi-monthly Local Partnership Forum
- Chief Officer in post for the duration of 2022-23
- Chief Finance Officer (CFO) in post for the duration of 2022-23
- 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 2022/23 this included the following:

- Approval of refresh of the Strategic Plan including review of equality outcomes
- Approval of a new IJB Risk Management Strategy and Policy
- Provision of regular financial reports to the IJB
- Provision of regular performance reports to the IJB
- Approval and adoption of Annual Internal Audit Plan
- Implementation of Participation and Engagement Team
- Refresh of Workforce and Organisational Development Strategy and Action Plan

Overview of Areas for Improvement and Development during 2022-23

Areas for improvement to further strengthen the IJB's governance arrangements and systems of internal control were identified within the IJB Annual Accounts for 2021-22. A progress update on these actions is detailed below:-

Improvement Area	Action Undertaken
Development and implementation of approved Risk Strategy, risk appetite and robust Risk Management reporting. Regular risk reporting does occur. A session on risk appetite is planned for the coming year 2022/23.	<i>Complete</i> The IJB Risk Management Policy and Strategy was approved on 31 March 2023. There were two risk appetite sessions held for IJB members in 2022/23 and the Risk Appetite Statement is now in draft.
Further refinement of the Board skills matrix and Board self-assessment framework.	<i>Ongoing</i> Due to changes in Governance structures and personnel a more formal approach will be progressed during 2023-24. Member Development Sessions are continually reviewed to ensure relevant topics are discussed to strengthen member knowledge and understanding.
Formal adoption and implementation of self-assessment governance review to provide focus on key areas of development. Further work will be required to refine	
Further work continues in relation to the Ministerial Steering Group report.	<i>Ongoing</i> Constant review of any actions arising.
Development of statutory guidance regarding set aside services in collaboration with NHS Fife.	<i>Paused</i> Partner agreement has been reached to pause this work whilst awaiting further clarity in relation to national developments.
Develop a Board Induction Programme in conjunction with NHS Education for Scotland (NES).	<i>Ongoing</i> Established member induction programme in place, however seeking to continually review in best light of best practice.

Overview of Areas for Improvement and Development for 2023-24

Following consideration of the adequacy and effectiveness of the IJB governance arrangements, in addition to the ongoing continuous improvement actions from 2022-23, further actions will be progressed in 2023-24 to strengthen the good governance controls. These actions are detailed in the table below:-

Key Actions for 2023-24
<ul style="list-style-type: none">• Review of Directions policy• Creation of new HSCP Website• Refresh of publication scheme• Continuation of review of all strategies which support the Strategic Plan• Refresh of Performance Framework• Review of information flow from SLT to Governance Committee/IJB• Roll out of Care Opinion

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 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. Any significant issues relating to the partner bodies are brought to the attention of the IJB. In the current year, the Annual Governance Statements of NHS Fife and Fife Council show that no such issues have been identified.

Fife IJB Internal Audit Service, in their Internal Audit Annual Report 2022/2023 on 28 June 2023 have noted that *Reliance can be placed on the IJB’s governance arrangements and systems of internal controls for 2022/23.*

The IJB has confirmed that adequate and effective governance arrangements are in place and there are no major control weaknesses nor significant governance issues that require to be reported for 2022-23.

Conclusion and Opinion on Assurance

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.

Nicky Connor

A Wood

Nicky Connor
Chief Officer

Arlene Wood
Chair of the IJB

Date 29 September 2023

Date 29 September 2023

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.

2021/22				2022/23		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
56,500	-	56,500	Hospital	64,717	-	64,717
111,296	-	111,296	Community Healthcare	126,620	-	126,620
181,978	-	181,978	Family Health Services & Prescribing	191,891	-	191,891
17,496	-	17,496	Children's Services	15,789	-	15,789
245,721	-	245,721	Social Care	268,973	-	268,973
885	-	885	Housing Services	1,329	-	1,329
258	-	258	IJB Operational Costs	269	-	269
40,227	-	40,227	Acute Set Aside	46,168	-	46,168
654,361	-	654,361	Cost of Services	715,756	-	715,756
	(704,430)	(704,430)	Taxation and Non-Specific Grant Income		(694,169)	(694,169)
0	0	(50,069)	(Surplus) or Deficit	0	0	21,587
		(50,069)	Total Comprehensive Income and Expenditure			21,587

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 2022/23	General Fund Balance £000	Total Reserves £000
Opening Balance at 31st March 2022, brought forward	(79,712)	(79,712)
Returned Covid to Scottish Government	20,405	20,405
Adjusted Balance at 31st 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)
Movements in Reserves During 2021/22	General Fund Balance £000	Total Reserves £000
Opening Balance at 31st March 2021	(29,643)	(29,643)
(Surplus)/ Deficit on provision of services	(50,069)	(50,069)
Total Comprehensive Income and Expenditure	(50,069)	(50,069)
Balance as at 31 March 2022, carried forward	(79,712)	(79,712)

Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2023. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2022		Notes	31 March 2023
£000			£000
79,721	Short term Debtors	6	42,605
79,721	Current Assets		42,605
9	Short-term Creditors	7	4,886
9	Current Liabilities		4,886
79,712	Net Assets		37,719
79,712	Usable Reserve: General Fund	8	37,719
79,712	Total Reserves		37,719

The Statement of Accounts present a true and fair view of the financial position of the Fife Integration Joint Board as at 31 March 2023 and its income and expenditure for the year then ended.

The unaudited accounts were issued on 30 June 2023 and the audited accounts were authorised for issue on 29 September 2023

Audrey Valente

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Audrey Valente - CPFA
Chief Finance Officer

Date 29 September 2023

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 2022/23 financial year and its position at the year-end of 31 March 2023.

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 2022/23, 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

The cost to the IJB in 2022/23 relating to the Covid-19 pandemic was £15.588m. This comprised of additional expenditure for vaccinations, staff cover, additional capacity in the community, and sustainability payments to care homes.

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 £46.168m 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 28th June 2023. 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 2023, 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

2021/22 £000		2022/23 £000
246,606	Services commissioned from Fife Council	270,302
407,497	Services commissioned from Fife NHS Board	445,185
230	Other IJB Operating Expenditure	241
28	Auditor Fee: External Audit Work	28
(704,430)	Partners Funding Contributions & Non-Specific Grant Income	(694,169)
(50,069)	(Surplus) or Deficit	(21,587)

5. Taxation and Non-Specific Grant Income

2021/22 £000		2022/23 £000
(521,950)	Funding Contribution from NHS Fife	(481,647)
(182,480)	Funding Contribution from Fife Council	(212,522)
(704,430)	Taxation and Non-specific Grant Income	(694,169)

The funding contribution from NHS Fife shown above includes £46.168m 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 2022 £000		31 March 2023 £000
43,477	NHS Fife	14
36,244	Fife Council	42,591
79,721	Debtors	42,605

7. Creditors

31 March 2022 £000		31 March 2023 £000
-	NHS Fife	4,858
-	Fife Council	-
9	External Audit Fee	28
9	Creditors	4,886

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.

2021/22		2022/23				
*Re-stated Balance at 31 March 2022		Net Covid return to SG	Transfers Out 2022/23	Transfers in 2022/23	Movement in Reserves MIRS)	Balance at 31 March 2023
£000		£000	£000	£000	£000	£000
(6,585)	Primary Care Improvement Fund	-	5,448	(113)	-	(1,251)
(6,603)	Mental Health (including Action 15 and Psychological Therapy Action 15	-	5,535	-	-	(1,068)
-	District Nurses	-	-	(103)	-	(316)
(18)	Fluenz	-	18	-	-	-
(1,700)	Alcohol and Drugs Partnerships	-	81	-	-	(1,619)
(1,339)	Community Living Change Plan	-	-	-	-	(1,339)
(35,993)	Covid-19	-	15,580	-	-	(20,412)
-	Covid-19 returned to SG	20,405	-	-	-	20,405
(950)	Urgent Care	-	447	-	-	(503)
(817)	Care Homes - Nursing support	-	699	(683)	-	(800)
-	Mental Health Recovery & Renewal	-	-	(387)	-	(387)
(213)	Budival	-	110	-	-	(103)
(23)	Child Healthy Weight	-	23	(9)	-	(9)
(300)	Acceleration of 22/23 MDT recruitment	-	-	-	-	(300)
(1,384)	Multi Disciplinary Teams	-	53	(835)	-	(2,166)
(430)	GP Premises	-	559	(615)	-	(486)
(47)	Afghan Refugees	-	-	-	-	(47)
(669)	Dental Ventilation	-	410	-	-	(259)
(170)	Interface Care	-	64	-	-	(106)
(3,345)	Care at Home	-	3,345	-	-	0
(2,320)	Interim beds	-	1,032	-	-	(1,288)
(69)	Telecare Fire Safety	-	-	-	-	(69)
(417)	Self Directed Support (SDS)	-	10	-	-	(407)
(196)	Workforce Wellbeing Funding	-	103	-	-	(93)
(146)	School Nurse	-	-	-	-	(146)
(313)	Remobilisation of Dental Services	-	-	-	-	(313)
-	Near Me	-	-	(112)	-	(112)
-	Learning Disability Health Checks	-	-	(69)	-	(69)
-	Family Nurse Partnership	-	-	(100)	-	(100)
-	Development of Hospital at home	-	-	(279)	-	(279)
-	Breast Feeding	-	-	(20)	-	(20)
-	Delayed Without Discharge	-	-	(25)	-	(25)
-	Long Covid	-	-	(125)	-	(125)
-	Navigation Flow Hub	-	-	(2,420)	-	(2,420)
(64,260)	Total Earmarked & Covid-19	20,405	33,517	(5,895)	48,028	(16,232)
(15,452)	Contingency/ Uncommitted	-	2,428	(8,463)	(6,035)	(21,487)
(79,712)	General Fund Reserve Total	20,405	35,945	(14,358)	41,993	(37,719)

*Prior year balance restatements – Earmarked amounts of £1.500m and £0.500m were reclassified from earmarked to uncommitted reserves, these reclassifications were approved at IJB Committee on November 2022 and January 2023 respectively.

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

2021/22 £000		2022/23 £000
(521,950)	Funding Contributions received from NHS Fife	(481,647)
407,498	Expenditure on Services Provided by NHS Fife	445,185
114	Key Management Personnel: Non-Voting Board Members	120
14	External Audit Fee	14
(114,324)	Net Transactions with NHS Fife	(36,328)

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 2022 £000		31 March 2023 £000
43,472	Debtor balances: Amounts due from NHS Fife	14
-	Creditor balances: Amounts due to NHS Fife	4,858
43,472	Net Balance with NHS Fife	4,872

Transactions with Fife Council

2021/22 £000		2022/23 £000
(182,480)	Funding Contributions received from Fife Council	(212,522)
246,606	Expenditure on Services Provided by the Fife Council	270,303
115	Key Management Personnel: Non-Voting Board Members	121
14	External Audit Fee	14
64,255	Net Transactions with Fife Council	57,916

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 Fife Council

31 March 2022 £000		31 March 2023 £000
36,240	Debtor balances: Amounts due from Fife Council	42,577
-	Creditor balances: Amounts due to Fife Council	-
36,240	Net Balance with Fife Council	42,577

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 £34,470 in respect of fees payable to Azets with regard to external audit services carried out in 2022/23 (2021/22 paid to Audit Scotland in £28,000).

11. Contingent Assets and Liabilities

The IJB is not aware of any material contingent asset or liability as at 31 March 2023.

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 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

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

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of 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

Chris Brown, for and on behalf of Azets Audit Services
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 29 September 2023