



Falkirk  
Health and Social Care  
Partnership

# Falkirk Integration Joint Board

**AUDITED ANNUAL  
ACCOUNTS  
2023/24**

## **Contents**

<b>Management Commentary .....</b>	<b>3</b>
<b>Statement of Responsibilities .....</b>	<b>19</b>
<b>Remuneration Report.....</b>	<b>21</b>
<b>Annual Governance Statement .....</b>	<b>25</b>
<b>Comprehensive Income and Expenditure Statement.....</b>	<b>31</b>
<b>Movement in Reserves Statement .....</b>	<b>31</b>
<b>Balance Sheet.....</b>	<b>32</b>
<b>Notes to the Financial Statements.....</b>	<b>33</b>
1. Significant Accounting Policies.....	33
2. Events After the Reporting Period.....	36
3. Critical Judgements and Estimation Uncertainty .....	36
4. Expenditure and Income Analysis by Nature.....	37
5. Taxation and Non-Specific Grant Income .....	37
6. Debtors .....	38
7. Creditors .....	38
8. Provisions.....	38
9. Useable Reserve: General Fund.....	38
10. Related Party Transactions.....	40
<b>Independent Auditor's report to the members of Falkirk Integration Joint Board and the Accounts Commission.....</b>	<b>42</b>
<b>Glossary .....</b>	<b>47</b>

## MANAGEMENT COMMENTARY

### Introduction

This publication presents the financial statements for Falkirk Integration Joint Board (“the IJB”) for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the [Local Authority Accounts \(Scotland\) Regulations 2014](#) and the [Code of Practice on Local Authority Accounting in the United Kingdom](#) as per the requirements of section 106 of the Local Government Scotland Act 1973.

The Financial Statements are comprised of:

1. A management commentary which provides an overview of operational and financial performance during the course of 2023/24 and how this has supported delivery of the IJB’s strategic priorities. The management commentary also looks forward to future financial plans, considering the risks and challenges we face as we strive to achieve the best possible outcome for people living in the Falkirk area.
2. A statement of responsibilities in respect of the administration of the IJB’s financial affairs and delivery of best value.
3. A remuneration report summarising remuneration and associated pension benefits in respect of specified IJB members and staff.
4. An annual governance statement describing the IJBs corporate governance arrangements and systems of internal control.
5. A comprehensive income and expenditure statement which reports the overall surplus or deficit arising from the provision of delegated services.
6. A movement in reserves statement which outlines the position on IJB reserves during the course of the year.
7. A balance sheet which summarises the assets and liabilities of the IJB as at 31 March 2024.
8. Notes to the financial statements, including general accounting policies and other explanatory information.

### Role and Remit of Falkirk Integration Joint Board

Falkirk IJB was formally established under the Public Bodies (Joint Working) (Scotland) Act 2014 to lead the integration, strategic planning and commissioning of adult health and social care services in the Falkirk area. Integration of health and social care services is a key flagship policy of the Scottish Government which aims to ensure that people receive the care and support they need at the right time, in the right setting and in a more joined up way. All of which should be underpinned by anticipatory and preventative care planning. This supports the IJB’s fundamental purpose ***to enable people in the Falkirk area to live full and positive lives within supportive and inclusive communities.***

The IJB is a legal entity in its own right established in October 2015 following ministerial approval of the Integration Scheme developed by Falkirk Council and NHS Forth Valley. Membership of the IJB is comprised of six voting members (three elected members appointed from Falkirk Council and three Non-Executive Directors appointed from NHS Forth Valley) together with 13 non-voting members. Non-voting members include the Chief Officer, Chief Finance Officer and a wide range of other health and social care

professional advisors including third sector, carer, and staff side representatives. The Chair and Vice Chair of the IJB are appointed for a two-year term by Falkirk Council and NHS Forth Valley on a rotational basis. During 2023/24 the IJB was chaired by Councillor Fiona Collie as appointed by Falkirk Council with Vice Chair Stephen McAllister appointed by NHS Forth Valley.

The scope of the health and social care services delegated to the IJB is outlined in the integration scheme (a legal document, subject to Ministerial approval, which sets out the specific services involved and how they will be planned, resourced, and operationally delivered by the IJB).

The functions delegated to the IJB by Falkirk Council and NHS Forth Valley are detailed in the Integration Scheme and include:

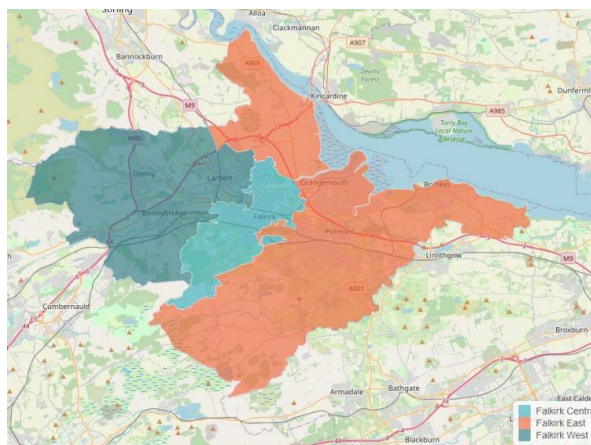
- Adult Social Work services
- Integrated Learning Disability services
- Integrated Mental Health services
- District Nursing
- Allied Health Professionals
- Community Hospitals
- Administrative staffing within a healthcare setting
- Primary Care Services

During 2023/24, responsibility for operational management of the Prisons Healthcare transferred to the Falkirk Partnership, but full delegated responsibility will only transfer after approval by the IJB.

## Strategic Planning

A key statutory duty of the IJB is to develop a Strategic Plan for integrated functions and budgets which sets out the way in which the arrangements for carrying out the functions are intended to achieve or contribute towards achieving the national health and wellbeing outcomes. As part of this work, the IJB has implemented a locality planning structure, comprised of three distinct geographic areas to ensure that the overall Strategic Plan is accessible and responsive to the needs and unique circumstances of our local communities across East, West and Central Falkirk (see figure 1).

Figure1: Locality Map



Community empowerment and engagement is key in this respect and the IJB works closely with a range of stakeholders including Falkirk Community Planning Partnership to ensure service developments are consistent with their Local Outcomes Improvement Plan (LOIP) and Falkirk Council Housing Services to determine and influence housing requirements at locality level. The IJB also consults and maintains established forums with carers and the third and independent sectors.

The current [Strategic Plan](#) covers a three-year period from 2023 to 2026 and was approved by the IJB on 31 March 2023. The plan sets out how adult health and social care services will be delivered in Falkirk over the medium term to deliver the national outcomes for health and wellbeing. In developing the Strategic Plan, a Strategic Needs Assessment was produced to provide an understanding of the health and care needs of the local population.

The main issues detailed within the Strategic Plan are:

- There is an ageing population within the Falkirk area, with current projections expecting an 80% increase in the 75+ population between 2018-2043, which will likely lead to an increase in demand for health and social care services;
- Ongoing housing, deprivation, and cost of living pressures within the Falkirk area are likely to contribute to a decrease in overall health.
- An increasing number of drug-related deaths and drug and alcohol related hospital admissions;
- The Covid-19 pandemic has had profound effect on social care services with some services struggling to keep up with demand; and
- Decreased staffing levels and challenges in recruiting and retaining staff in social care roles continues to add additional pressure.

To respond to these challenges, a high-level delivery plan was developed which identifies actions that align with the current priorities. The vision and outcomes remain

unchanged from the previous Strategic Plan and the major change is in terms of priorities. These now include four strategic priorities and three cross-cutting workstream priorities (see figure 2).

**Figure 2: The Priority Areas**

<p><b>Strategic Priorities</b></p>	<p><b>Community-based services</b> Services will be enhanced to improve the 'flow' of patients through hospital settings, prevent admission, and promote independent living.</p> <p><b>Accessible care</b> Improve the way people access services – enabling everyone to access the right care, at the right time, in the right place.</p> <p><b>Early intervention &amp; prevention</b> Minimise the harm of long, term health conditions, ill, mental health, substance use, or neglect through early action.</p> <p><b>Carer support</b> Assist, inform, and empower unpaid carers to manage their caring role and have a fulfilled life outside of caring.</p>
<p><b>Workstreams</b></p>	<p><b>Workforce</b> Recruitment, retention, and celebration of staff across all services.</p> <p><b>Technology</b> Explore new ways of helping people and delivering services.</p> <p><b>Communication</b> Improving engagement, feedback opportunities, and signposting info.</p>

## 2023/24 Operational Performance

In financial year 2023/24 the IJB has remained committed to achieving it's overall vision to enable people in the Falkirk area to live full and positive lives within supportive communities. Many services have seen a significant increase in demand following the decline during the pandemic and the focus is now on continuing the transformation journey to ensure financial sustainability as services evolve and develop in line with strategic priorities. The Transformation Board continue to meet regularly to review and approve transformation initiatives that will drive forward the changes needed to ensure services that are fit for the future can be delivered in a sustainable way.

Some of the highlights from 2023/24 are detailed below.

### Partnership Funding Investment Plan

The 2024-27 Partnership Funding Investment Plan was approved by the IJB in March 2024. The Plan outlines a total investment of over £18m across 13 funds.

The Partnership Funding Investment Plan has been designed to ensure Falkirk can maintain a wider focus on developing sustainable community-based infrastructure to enable earlier access to support and to divert, delay, or stop the need for formal health and social care interventions. Through work with Third and Independent sectors, the Fund can also help to develop a wider range of options and alternatives to traditional access routes to care and support.

The Partnership Funding Group (a sub-group of the Strategic Planning Group) conducted a review of partnership funding during 2023/24 to help inform the 2024-2027 Investment Plan.

### Falkirk Alcohol & Drug Partnership (ADP)

Work has been carried out throughout 2023 to ensure the ADP is effectively connected to strategic partnership groups and associated groups across the Health & Social Care

Partnership and NHS Forth Valley. In addition, the ADP Committee has reviewed its membership to ensure it has the senior strategic leadership necessary to provide direction and accountability.

A new ADP Executive Committee has been created and replaces the previous ADP Committee. Along with a new Terms of Reference, the Executive has nominated a new Chair and Vice Chair and has senior membership from Falkirk Council, Health & Social Care, NHS Forth Valley, Third Sector, Scottish Fire & Rescue Service, Police Scotland, Scottish Ambulance Service, Public Health, and financial management, including the HSCP Chief Finance Officer.

Falkirk ADP is working in partnership with key stakeholders including NHS Forth Valley and Clackmannanshire and Stirling ADP to implement the Medication Assisted Treatment (MAT) Standards across Forth Valley. These Standards, developed by the Drug Death Taskforce are intended to reduce waiting times for accessing treatment and to enable people to remain in treatment for as long as they feel they are benefitting from it. There are 10 Standards and more information on these can be found at <https://www.matstandards.co.uk/>.

### Home from Hospital Partnership

The Home from Hospital Partnership commenced at the beginning of December 2021 and provides services to support patients being discharged from Forth Valley Royal Hospital, local community hospitals and other intermediate care facilities. The service, which is a collaboration between Falkirk HSCP, Clackmannanshire & Stirling HSCP and various 3<sup>rd</sup> sector organisations, continued to support patients throughout 2023/24.

In the 2023 calendar year, a total of 864 individuals from the Falkirk area used the Home from Hospital partnership. An evaluation of the service was published in July 2023 and found that service users value the role of Community Link Workers in co-ordinating support from different services and that the partnership is effective at putting people in contact with services they were not previously aware of. Positive service user feedback collected during the evaluation has demonstrated the positive outcomes of the partnership (see example below).

“I now have opportunity to become more social, as before I was sitting indoors and was very depressed. Having Dial-A-Journey also makes me feel that I can go places, especially the support group without worrying about money. I had no money or food and the Community Link Worker sorted this for me. I am only in my 30's and was very embarrassed, I am disabled and cannot work, but she did not ever make me feel that way. If it wasn't for her, I don't know how I would have survived at home.”

*Home from Hospital Feedback Example*

### Care at Home Systems

The Care at Home Electronic Time Recording and Scheduling system, CallConfirmLive! plays a crucial role in the co-ordination of care activity. Every week, the system schedules 8,000-9,000 visits for the in-house Care at Home service. Visit details are shared securely with a remote workforce of over 250 staff via the CM Mobile app to ensure that they have the information they need to deliver a high standard of care.

During 2023/24, automation has been built into reporting processes, making it easier to generate and access essential information promptly. This streamlined process contributes to management and statutory reporting, has informed the Care at Home Redesign and strengthened decision making in the Care at Home service.

### **GP based Community Link Work**

Seven Community Link Workers are employed to support people registered at GP practices in some of the more deprived areas of Falkirk. Referrals are usually, although not exclusively, made to the Community Link Worker from the GP and Primary Care Mental Health Nurses. Other routes include self-referral and referrals from other health and social care professionals.

The Community Link Workers provide support for wellbeing, economic, and social factors which may be affecting the individual's quality of life – and in turn, their health. As the link workers are integrated within GP Practices, which allows GPs to focus more of their time on medical issues. Welfare Benefits Advisors from Falkirk Council are now available at some GP practices as a referral route for GPs and Link Workers in circumstances where clients need support regarding debt or welfare benefits.

In the 2023 calendar year 1,006 referrals were made to the GP Based Community Link Work service and feedback has highlighted the positive impact it had on service users (see examples below).

“I have received more help from my community link worker than anywhere else I don't bother the doctors anymore unless I'm ill.”

“Very compassionate and I felt I was listened to. Signposted to extra services too.”

*GP Based Community Link Work Feedback Examples*

This work has presented unique challenges which has required partners to work closely with each other to fully identify and overcome. They represent a fundamental systemic change in the way we deliver drug treatment services and have created opportunities to develop new models of care to support, enable, and empower people to address their substance use.

### **Digital Health and Care Programme**

Launched in March 2023, the Digital Health and Care Programme was established to make better use of technology to deliver the Partnership's strategic priorities. The Programme encompasses a range of activities to enhance our services through the effective use of digital health and care technologies.

By combining the expertise and resources of stakeholders from across our services and co-ordinating with Falkirk Council and NHS Forth Valley ICT services and Information Governance, the Digital Health and Care Programme Board provides governance to progress appropriate digital health and care initiatives whilst ensuring their continued alignment to HSCP strategy.



A Delivery Plan is being formulated around key priorities that were identified throughout the Strategic Plan's consultation and development. The programme will support activities to widen access to services and strengthen care co-ordination. It will prioritise opportunities to reduce demand for services by empowering individuals and encouraging independence through the appropriate use of technology. Planning around digital initiatives will also include consideration of digital exclusion factors to ensure individuals who are unable to engage with technology are not left behind and that support arrangements will be built into programme activities.

The Board will oversee the Digital Health and Care Fund, a non-recurring budget of £250,000 which will be targeted towards improving the use and availability of digital health and care technologies within Falkirk. The fund will be managed in line with the Partnership Funding Investment Plan. This fund will be used to resource a three-year programme of activities.

### **Primary Care Improvement Plan (PCIP)**

Primary Care Services were delegated to the Forth Valley Integration Authorities over the course of 2023/24 and are now hosted by Falkirk IJB. In agreement with all partners the management and leadership of the service has been strengthened by the creation of a new Head of Primary Care Services post with the successful candidate taking up post in November 2023. This will support ongoing work to deliver the principles of the General Medical Services contract and to support a sustainable position for our Primary Care Improvement Plan. As part of the transfer of Primary Care Services, General Practice Out of Hours (OOH) Services have also been delegated and are now managed within the Falkirk IJB. A new OOH Senior Manager has been filled and this has supported the ongoing development, stability and improvement in outcomes being reported within this service.

The purpose of the PCIP is to establish multidisciplinary teams to release GP capacity enabling GPs to practice as 'expert medical generalists' as set out in the revised General Practice contract. In the face of increasing demand for GP services and with people reporting more complex needs, this helps them focus on specialised areas, provides greater continuity for patients and aims to make general practice more sustainable.

The PCIP has been implemented over a number of years supported by Scottish Government Funding and, through this a number of new services and models of care have been created alongside the creation of new roles and posts. This additional workforce and capacity now delivers around 6,000 available appointments and more than 6,500 medicines related activities provided weekly by Pharmacotherapy, Community Treatment and Care, Urgent Care, Mental Health, and Advanced Physiotherapy Practitioners to the practices and patients of Forth Valley.

While significant progress has been made there have been funding challenges in relation to the programme and we have been unable to implement the plan fully. The focus now is to ensure ongoing sustainability in Primary Care within the funding and workforce resource available.

### **Out of Hours (OOH) Service**

Providing an integrated person-centred, safe and sustainable Primary Care OOH

service remains the principal aim of the Forth Valley OOH service, underpinned by the work of the Reimagining Care Closer to Home Programme to ensure people who need care out of core hours receive the right care, at the right place, at the right time, by the right professional.

During 2023/24 66,802 patients received care from the OOH Service from the established integrated, multidisciplinary team which continues to provide the solid foundations for the service ensuring that it remains stable, resilient and flexible to meet the care needs of people across Forth Valley.

2023/24 was, building on the solid foundations established in 2022/23, a year of continual development with a focus on further improving patient care, staff wellbeing, continual professional development and embedding a learning culture based on reflective practice.

The key workstreams for 2024/25 will be focussed on performance and data management, establishing clear processes and pathways to capture and use patient feedback to inform service development and strengthen partnership working across Health and Social Care Partnership colleagues and services to establish the framework(s) that provides a fully integrated OOH response with health and community social care teams having clear pathways that ensures individuals receive the right intervention by the right person at the right time through a single point of entry.

### **Falkirk Carers Strategy 2023-2026**

In April 2024 the IJB published a new three-year [Carers Strategy](#) which provides an overview of the direction and focus of our local work to support unpaid carers and contributes to achieving Falkirk HSCP's vision that everyone has freedom to live their own lives while they are caring. Consultation and engagement with carers along with partnership working with the Falkirk Carers Centre helped to inform development of the strategy. Feedback from a Short Breaks Bureau questionnaire was also taken into account.

Following the success of flexible respite budgets which were introduced during the pandemic the IJB approved continuation of this model. A flexible respite budget of up to £1,000 per year is available to each eligible carer for support that directly supports them with their caring role, enabling them to use the available funds much more flexibly to meet their own needs.

Some changes were also made to the calculations for holiday type respite breaks during 2023/24 which has made the process easier for carers and service users to understand. Approval was also given to waive some of the charges relating to holiday type breaks.

The [Short Breaks Services Statement](#) has been updated to reflect the changes.

### **Performance**

The Falkirk Health & Social Care Partnership uses a Forth Valley-wide [Performance Management Framework](#) to monitor its progress. Regular performance updates are provided throughout the year to the Integration Joint Board. The Partnership also publishes an Annual Performance Report as required by the Public Bodies (Joint Working) Regulations 2014.

Scotland's Health and Social Care Partnerships are required to publish annual reports by 31 July each year under the Public Bodies (Joint Working) Regulations 2014. The latest report can be accessed from Falkirk Health & Social Care Partnership website.

The Partnership's Annual Performance Report highlights the complex and challenging environment of health and social care. It includes examples of the real impacts and positive outcomes made possible by the efforts of Falkirk's health and care services in the past year, made possible by the commitment, resilience, and professionalism of our workforce and partners, including carers and volunteers.

The Partnership reports progress against the suite of national integration indicators. This enables us to understand how well our services are meeting the needs of people who use our services and communities.

Indicators 1-9 are populated by the bi-annual Health and Care Experience (HACE) Survey. The most recently available data for these indicators is for 2021/22. Indicators 11-20 are in the main populated from the Scottish Morbidity Records (SMRs) which are submitted from local Health Boards to Public Health Scotland (PHS). Our latest performance for the indicators that have been updated this year (11 to 19) is set out in the following 'Performance at a glance' table.

### Performance at a glance:

#### 1. indicator summary

From the 9 indicators updated this year:

- 1 indicator where Falkirk **compares well** to Scotland.
- 2 indicators where Falkirk is **similar to** Scotland.
- 6 indicators where Falkirk **does not compare well** to national average.

2022 performance has decreased, including:

- Falkirk, 7 of 9 indicators seen a decrease in performance
- Scotland, 5 of 9 indicators seen a decrease in performance

No.	Performance	Data Indicator	National
NI-11	473 per 100,000	Premature mortality rate per 100,000 persons.	442 per 100,000
NI-12	14,769 admissions per 100,000	Emergency admission rate 2020	11,155 per 100,000
NI-13	130,429 bed days per 100,000	Emergency bed day rate 2020	113,134 per 100,000
NI-14	142 per 1,000	Readmission to hospital within 28 days – rate per 1,000 population, 2020.	102 per 1,000
NI-15	88.8%	Proportion of last 6 months spent at home or in a community setting 2020	89.3%
NI-16	25.4 falls per 1,000	Falls rate per 1,000 population aged 65+, 2020	22.2 per 1,000

No.	Performance	Data Indicator	National
NI-17	79.5%	Proportion of care services graded good or better in Care Inspectorate Inspections, 2020	75.2%
NI-18	62.6%	Percentage of adults with intensive care needs receiving care at home, 2020	63.5%
NI-19	1,386 per 100,000	Number of days people spend in hospital when they are ready to be discharged, 2020	919 per 100,000

Compares well is defined as Falkirk rate is 2% better than Scotland.  
Does not compare well is defined as Falkirk rate is not within 2% of Scotland rate.  
Similar is defined as Falkirk rate within 2% of Scotland rate.

### Notes on Indicators 1-9

There are no updates to indicators 1-9 (Health and Care Experience Survey). The next update will be released in 2024.

### Notes on Indicators 11-20

Use of Proxy 2022/23 financial year data for indicators 11, 12, 13, 14, 15 and 16  
Calendar year 2022 is used here as a proxy for 2022/23 due to the national data for 2022/23 being incomplete. We have done this following guidance issued by Public Health Scotland to all Health and Social Care Partnerships.

### 2023/24 Financial Performance

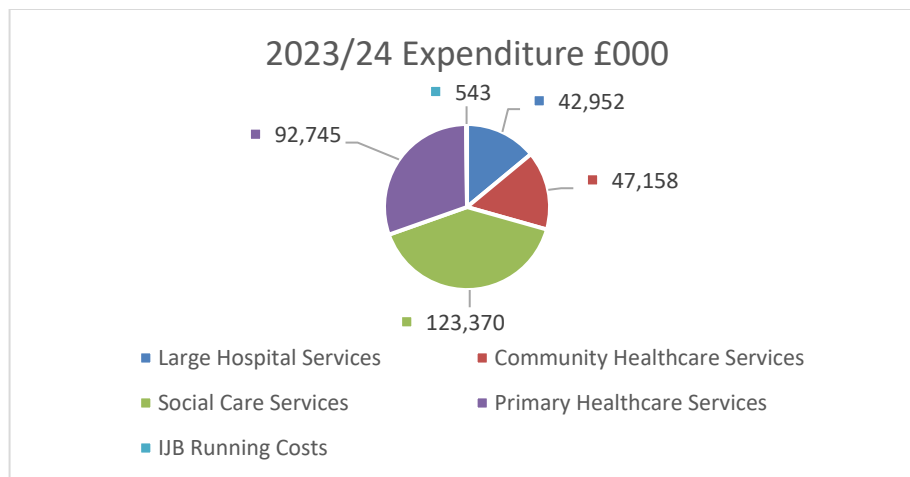
The financial performance for 2023/24 reflects the significant financial pressures and challenges being experienced across the health and social care sector. A number of services have seen a significant increase in demand which, along with high levels of inflation, has put significant pressure on resources. Workforce challenges have also contributed to the net overspend position with continued reliance on high-cost locum, bank and agency staff throughout the year.

Regular updates on financial performance are presented to the IJB and during 2023/24 the forecast overspend position has continued to be monitored as closely as possible with the IJB kept updated on proposals for achieving break even.

The IJB reported total income of £299.200m for financial year 2023/24 (an increase of £25.829m compared to the previous year) which comprised of £256.248m in respect of the integrated budget and £42.952m relating to set aside.

This compares to total expenditure of £306.768m incurred during the year (an increase of £25.173m relative to 2022/23) which comprised of £263.816m in respect of expenditure on integrated services and £42.952m relating to set aside.

The chart below details the 2023/24 expenditure against each high-level budget area.



As a result of the 2023/24 net overspend position £2.606m of brought forward IJB reserves were used in order to achieve break even within the integrated budget. Therefore, no risk sharing arrangements were required in respect of the integrated budget.

In line with previous years, NHS Forth Valley directly managed the overspend against the set aside budget totalling £7.875m.

The key pressure areas affecting 2023/24 financial performance are detailed below:

- **Large Hospital Services/Set Aside** - Overspend pressures continued to be reported within A&E, General, Geriatric, Rehab and Specialist Mental Health Services. This was mainly relating to ongoing significant expenditure on bank & agency staffing, linked to staff absence/vacancies and acuity of care, increased demand and case mix complexity/length of stay, together with additional costs in order to maintain safe staffing levels. Similar short staffing challenges also continued to impact on this.
- **Social Care** – Social Care cost pressures continued to rise throughout the year. There was a significant increase in demand for Care at Home services and within Residential Care an ongoing requirement for agency staff along with continuing high demand. These pressures were partly offset by underspends in Assessment & Care Planning mainly due to staff vacancies and within Day Care Services with the ongoing closure of Oswald Avenue. A review of Day Care Services is currently being carried out and is expected to be completed in 2024/25 which will determine the future plans for Oswald Avenue.
- **Primary Healthcare** – Large overspends were incurred, mainly due to prescribing pressures as a result of increased volumes, high inflation and Buvidal no longer being funded by the Scottish Government. The overspend was partly offset by underspends on GP OOH Services and Primary Medical Services GMS Contract.
- **Community Healthcare** - The favourable financial position was largely due to development funding not yet being fully utilised, plus vacancies and staff turnover savings across a variety of services including Community Mental Health, Community Based AHP and Community Learning Disability. The favourable position masked ongoing pressures within the Joint Loan Equipment Store and Complex Care services.

A reconciliation of the overall 2023/24 financial position to the Comprehensive Income and Expenditure Statement is presented below:

Reconciliation to Comprehensive Income & Expenditure Statement (CIES)	2023-24 £000s		
	Budget	Expenditure	(Underspend)/ Overspend
Large Hospital Services	42,952	50,827	7,875
Community Healthcare Services	51,298	47,158	(4,140)
Social Care Services	120,006	123,370	3,364
Primary Healthcare Services	89,413	92,745	3,332
IJB Running Costs	493	543	50
	<b>304,162</b>	<b>314,643</b>	<b>10,481</b>
Set Aside managed directly by NHS Forth Valley	0	(7,875)	(7,875)
<b>TOTAL</b>	<b>304,162</b>	<b>306,768</b>	<b>2,606</b>
<b>Reserve adjustments included in budget figures above</b>			
Community Healthcare Services transfers to reserves	(1,664)	0	1,664
Primary Healthcare Services transfers to reserves	(484)	0	484
Social Care transfers to reserves	(2,814)	0	2,814
	<b>(4,962)</b>	<b>0</b>	<b>4,962</b>
<b>REVISED TOTAL AS PER CIES</b>	<b>299,200</b>	<b>306,768</b>	<b>7,568</b>

## Reserves

At 1 April 2023 the IJB had brought forward reserves totalling £28.829m. This balance included £5.769m General and Contingency reserves, £8.730m Service Pressure reserves and £14.330m Earmarked reserves, as summarised below.

Reserve	Balance at 31 March 2023 £000s	Transfers Out £000s	Transfers In £000s	Balance at 31 March 2024 £000s
Contingency and General	(5,769)	3,081	(1,003)	(3,691)
Service Pressure and Development Funds	(8,730)	5,394	(2,458)	(5,794)
Earmarked	(14,330)	6,359	(3,805)	(11,776)
<b>Total</b>	<b>(28,829)</b>	<b>14,834</b>	<b>(7,266)</b>	<b>(21,261)</b>

At 31 March 2024 total reserves of £21.261m are held, representing a decrease of £7.568m during 2023/24. As illustrated above, the vast majority of reserves held are earmarked to fund specific projects or future commitments as part of the IJB's Strategic Plan. These reserves are expected to be fully utilised in line with relevant workstream strategies and investment plans, some of which span a number of years.

Contingency reserves have been increased by £0.195m to £2.245m to maintain a level of contingency in line with the reserves policy of 0.75% of the overall IJB budget. These funds will help to protect against future uncertainties and risks given current financial risks and uncertainties such as widespread pressures on public spending, increased demand and cost pressures within home care services, pressures within the healthcare system such as rising demand and cost of prescribed medicines as well as

pressure on beds within hospitals.

## Forward look to 2024/25

The IJB is committed to delivering transformational change over the coming years to ensure financial sustainability. Transformation of services will therefore continue to be a key feature in financial year 2024/25 with the Transformation Board meeting regularly to review and approve transformation initiatives that will drive forward transformation programmes and projects in line with the Strategic Plan.

The updated Medium Term Financial Plan (MTFP) was approved on 22 March 2023 covering financial years 2024/25 to 2027/28. The plan details an expected funding gap throughout this period, the expected ongoing financial pressures, and the proposed savings delivery in order to achieve a balanced budget.

The expected funding gap before savings delivery is set out in the table below:

Projections	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Expenditure	307.562	312.603	317.078	321.925
Funding	(289.133)	(290.633)	(292.164)	(293.725)
<b>Shortfall before savings</b>	<b>18.429</b>	<b>21.970</b>	<b>24.914</b>	<b>28.200</b>
Impact of savings achievement	0.000	(18.429)	(21.970)	(24.914)
<b>Shortfall after prior years savings achieved</b>	<b>18.429</b>	<b>3.541</b>	<b>2.944</b>	<b>3.286</b>

A number of assumptions have been used in the projections, including pay and social care provider uplifts, inflation rates and expected demographical changes.

It's clear from the table that Falkirk IJB is facing an extremely challenging financial future with funding not increasing at the same pace as the demand for services and increased costs.

A savings programme has been identified for financial year 2024/25 which includes the use of £4.090m non-recurring funds. As non-recurring savings provide only a short-term solution, longer term solutions will require to be developed and work is continuing to identify service delivery changes that will deliver a sustainable financial position over the coming years.

In terms of the medium-term financial plan approach to reserves, the current working assumptions are:

- Contingency reserves will be maintained at 0.75% of the total partnership budget throughout the medium-term financial plan period;
- Unallocated general reserves will be used to 'top up' contingency reserves to ensure the required level is retained and to address savings gaps within the annual budget setting process on a short-term basis as required.
- Earmarked reserves within the "Partnership Funds" umbrella, will be managed through separate workstreams, with defined objectives, clear governance processes and regular reporting to ensure expenditure is restricted to available resources, with any excess funds carried forward for use in the following year. A similar management process will apply to other managed areas including Primary Care Improvement Plan.

- Service Pressure and Development Fund reserves which are held to support increased capacity whilst longer-term initiatives are developed will be used for specific purposes, or towards savings as approved by the IJB.

Such reserves are non-recurring in nature and recurring savings will require to be identified in the longer term, in order to maintain financial stability. The use of unallocated general reserves is therefore a temporary holding position while longer term plans are developed and executed.

## Risks and Uncertainties

The public sector continues to face an extremely challenging financial future. The IJB and both partner bodies, Falkirk Council and NHS Forth Valley, will be required to identify savings over the coming years in order to balance their revenue budgets.

Demand on health and social care services continues to increase leading to a greater challenge in managing the financial position and the updated Medium Term Financial Plan highlights the significant budget gaps for which the IJB requires to achieve savings.

Falkirk IJB has its own Strategic Risk Register to record the risks it faces and this is regularly presented to and scrutinised by the Audit Committee. Individual services retain their own operational risk registers and as services are integrated, work is undertaken to combine the operational risk registers into a Partnership wide register, ensuring interdependencies are recognised and mitigating actions recorded.

The Strategic Risk Register recognises that funding and demographic pressures could result in a failure to deliver the Strategic Plan. Given the increasingly challenging financial environment the IJB is operating in, this risk was changed from high to very high during 2023/24.

Other key risks which could create significant financial pressures include:

- Failure to transform services and adopt a whole systems approach. This could lead to silo working and simply moving financial pressures around the system.
- Pressure on beds within both the acute hospital and community hospitals continues with occupancy reaching record levels. This drives costs in health budgets and impacts on demand for social care.
- Demand and cost pressures for home care have increased significantly over recent years. Failure to mitigate this demand, and commission care effectively could result in fewer people receiving the care they need, impacting on performance across the system.
- Falkirk HSCP has a mix of internal and external care providers for both residential and non-residential care. This has advantages in that it provides some flexibility in a sector which can be precarious. However, the Partnership is vulnerable to inflationary uplift demands from external care providers. In some cases such rates can be negotiated nationally, for example the National Care Home Contract. However, these negotiations can be protracted, are outwith the



IJB's control and can extend well into the financial year being discussed, providing little time to respond to consequent pressures.

- The prescribing budget has overspent for a number of years due in part to rising demand, new medicines and short supply issues. Some local decisions can be made to help address the financial pressures but are insufficient to keep up with the level of increased demand and cost. The cost of drugs and the agreement to introduce new drugs are national decisions which can impact on local budgets.
- The shaping of the national care service will have direct implications for the IJB. At this stage the detail remains insufficient to determine the risks to Falkirk IJB.
- Plans are underway for Prisons and Childrens Services to transfer to the IJB and it is expected these services will become integrated in 2024/25. It is not yet clear what impact this will have and therefore presents a potential financial risk at this time.
- As part of the 2022/23 pay deal, the Scottish Government agreed to scope a phased reduction to a 36-hour NHS working week. The first phase of this was a 30-minute reduction to a 37-hour working week, effective from 1 April 2024. The financial and service capacity impact of this change is still being assessed, and it is not yet clear, what, if any, additional funding will be provided by the Scottish Government to support this. At this stage, no provision has been included in the 2024/25 budget, and therefore there is an associated potential financial risk.

The IJB receives updates on these areas through regular finance and performance reports, as well as updates to the Strategic Risk Register.

## Sustainability

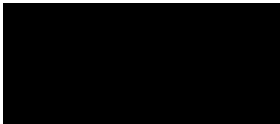
The IJB monitors and reports on Greenhouse Gas Emissions via Falkirk Council's Public Bodies Climate Change Duty Reporting (PBCCDR), as much of the IJB estate is owned and operated by the Council bringing those emissions within the scope of Falkirk Council's emissions. A separate IJB PBCCDR is prepared and submitted with information relevant to the IJB such as financial and governance information; however, the greenhouse gas emissions reporting and carbon reduction projects information is reported through Falkirk Council's PBCCDR. Previous reports can be found via [sustainable-scotland-network.org](https://www.sustainable-scotland-network.org).

## Conclusion

The 2023/24 Annual Accounts reflect the ongoing financial challenges faced not only by the IJB but the public sector in general. The Scottish Government acknowledge that reform is essential within the health and social care sector in order to manage the increasing pressures within budget. The IJB is committed to driving forward change over the coming years to ensure services are delivered in a sustainable way.

## Where to Find More Information

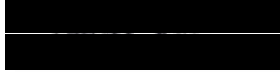
If you would like more information, please visit our website at: [www.falkirkhscp.org](https://www.falkirkhscp.org)



**Fiona Collie**  
Chair  
15 November 2024



**Gail Woodcock**  
Chief Officer  
15 November 2024



**Marie Neils**  
Chief Finance Officer  
15 November 2024

## Statement of Responsibilities

### Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

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

I confirm that these Annual Accounts were approved for signature at a meeting of the Integration Joint Board Audit Committee on 15 November 2024.

Signed on behalf of the Falkirk IJB



**Fiona Collie**

Chair

15 November 2024

## Responsibilities of the Chief Finance Officer

The Chief Finance 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).

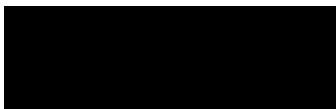
In preparing the Annual Accounts, the Chief Finance Officer has:

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

The Chief Finance Officer has also:

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

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



**Marie Keirs**  
Chief Finance Officer  
15 November 2024

## Remuneration Report

### Introduction

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

The information provided 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.

### Voting Membership of the IJB in 2023/24

Membership of the IJB is comprised of 6 voting members (3 elected members appointed from Falkirk Council and 3 Non-Executive Directors appointed from NHS Forth Valley). The Chair and Vice Chair of the IJB are appointed for a 2-year term by the constituent authorities of Falkirk Council and NHS Forth Valley on a rotational basis.

During financial year 2023/24 the IJB voting Membership of the IJB was as follows:

#### NHS Forth Valley

Gordon Johnstone, Non-Executive Member of Forth Valley NHS Board

Stephen McAllister, Non-Executive Member of Forth Valley NHS Board (Vice-Chair) \*\*

Dr Michele McClung, Non-Executive Member of NHS Forth Valley Board

#### Falkirk Council

Councillor Fiona Collie (Chair)\*\*

Councillor Anne Hannah

Councillor Jim Flynn

\*\* On 30 April 2023 Councillor Fiona Collie was appointed as the new Chair and Stephen McAllister, Non-Executive Member of Forth Valley NHS Board, as the new Vice Chair.

### Remuneration: IJB Chair and Vice Chair

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. Neither the Chair or Vice Chair of the IJB received additional remuneration or taxable expenses.

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 in its own right; however specific post-holding officers are non-voting members of the Board.

### Chief Officer

Section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 stipulates that a Chief Officer must be appointed on a formal secondment basis to the IJB through the employing partner (in this case the employing partner is Falkirk Council). The employment contract for the Chief Officer will therefore adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

### Chief Finance Officer

The tables below identify a change in Chief Finance Officer during 2023/24. The new Interim Chief Finance Officer was appointed on 5 January 2024 on a formal secondment basis to the IJB through the employing partner (in this case the employing partner is NHS Forth Valley).

### Other Officer

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

Total 2022/23 £	Senior Employee/Full Time Equivalent (FTE)	Salary, Fees & Allowances £	Taxable Expenses £	Total 2023/24 £
118,802	<b>Patricia Cassidy</b> Chief Officer 1.0 FTE	125,990	-	125,990
3,786	<b>Steven Kirkwood*</b> Chief Finance Officer 1.0 FTE	60,539	-	60,539
64,517	<b>Mark Fairley**</b> Interim Chief Finance Officer 1.0 FTE	20,699	-	20,699
<b>187,105</b>	<b>Total</b>	<b>207,228</b>	-	<b>207,228</b>

\* Left 31 December 2023

\*\* Commenced 5 January 2024

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 is required to fund employer contributions for the current year in respect of the officer time spent on discharging their role on the IJB. The below table presents the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In year Pension Contribution		Accrued pension benefits		
	For the year to 31 March 2023 £	For the year to 31 March 2024 £		As at 31 March 2024 To Nearest £000	Difference from March 2023 to Nearest £000s
<b>Patricia Cassidy</b> Chief Officer 1.0 FTE	26,730	28,978	Pension	50,000	7,000
			Lump Sum	25,000	1,000
<b>Steven Kirkwood*</b> Chief Finance Officer 1.0 FTE	13,484	12,456	Pension	N/A	N/A
			Lump Sum	N/A	N/A
<b>Mark Fairley**</b> Interim Chief Finance Officer 1.0 FTE	-	4,326	Pension	22,000	3,000
			Lump Sum	58,000	4,000
<b>Total</b>	<b>40,214</b>	<b>45,760</b>	<b>Pension</b>	<b>72,000</b>	<b>10,000</b>
			<b>Lump Sum</b>	<b>83,000</b>	<b>5,000</b>

\* Left 31 December 2023

\*\* Commenced 5 January 2024

### Disclosure by Pay Bands

Pay information has not been separately disclosed as all relevant details are already included in the information above.

### Exit Packages

There were no exit packages in relation to the Falkirk IJB in 2023/24 or the previous financial year.

## Appointment of Senior Officers

Since the end of the financial year, Patricia Cassidy, Chief Officer retired on 5 April 2024. Gail Woodcock was subsequently appointed and took up position on 8 April 2024. Marie Keirs was appointed as Chief Finance Officer on 27 May 2024.



**Fiona Collie**

Chair

15 November 2024



**Gail Woodcock**

Chief Officer

15 November 2024



## Annual Governance Statement

As specified in the Local Authority Accounts (Scotland) Regulations 2014, the IJB is required to conduct a review of the effectiveness of its internal control systems at least once in each financial year and must also include an annual governance statement as part of the annual accounts. This is consistent with Code of Practice on Local Authority Accounting in the United Kingdom and guidance developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) entitled “*Delivering Good Governance in Local Government: a framework*”.

### Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively in order to secure best value.

In discharging these responsibilities, the Chief Officer has established a system of internal control and arrangements for the governance of the IJB’s affairs and the effectiveness of its functions (including risk management). It is recognised that any system of internal control can only provide reasonable and not absolute assurance of effectiveness.

As part of the overall governance arrangements, the Chief Officer also places reliance on the systems of internal control operated by Falkirk Council and NHS Forth Valley (recognising that these systems ensure compliance with both organisations’ policies and procedures and support achievement of each organisation’s aims and objectives, as well as those of the IJB).

### The Purpose of the Governance Framework

The governance framework refers to the systems, processes, culture, and values by which the IJB is directed and controlled. The governance framework enables the IJB to deliver its strategic objectives and perform effectively whilst maintaining public confidence in IJB processes and decision making. The governance framework is regularly reviewed to ensure it reflects best practice and new legislative requirements, supporting continuous improvement and better outcomes, whilst striking an appropriate balance between quality and cost.

As part of the overall governance framework, the system of internal control is designed to identify, prioritise, and manage risk to an acceptable level. This includes evaluation of the risk of failure to achieve the IJB’s policies, aims and objectives, the likelihood of those risks being realised, and the impact of those risks should they be realised. The system aims to help manage risks as efficiently, effectively, and economically as possible.

### The Governance Framework and Internal Control System

The Board of the IJB is comprised of the Chair, Vice-Chair and 4 other voting members. Of the 6 voting members in total, 3 are appointed by NHS Forth Valley and 3 by Falkirk Council. The Board also includes 13 non-voting members, comprised of the Chief Officer, Chief Finance Officer, other Officers appointed by virtue of their professional role including the Chief Social Work Officer, Medical Director, and Director of Nursing,

as well as employee representatives, service users, carers and third sector representatives. The IJB is the key decision making body in respect of the planning, resourcing and operational delivery of all integrated health and social care services within its geographical boundary area.

The main features of the governance framework in existence during 2023/24 are summarised below:

1. Strategic decision making was governed by the IJB's key constitutional documents including the Integration Scheme, standing orders, scheme of delegation, financial regulations, and reserves policy.
2. A code of conduct was in place for all IJB Board members, including a register of interests.
3. The IJB's vision, outcomes and priorities are set out in the IJB's Strategic Plan for 2023-2026, which contributes to the strategic priorities and outcomes contained in the Community Planning Partnership's Local Outcomes Improvement Plan (LOIP) and the national health and well-being outcomes framework.
4. An Audit Committee was in place with a remit which includes risk management, corporate governance and all matters relating to internal and external audit. Terms of reference are regularly reviewed and an annual workplan agreed.
5. The Clinical and Care Governance Committee provided assurance to the IJB on the systems in place for delivery of safe, effective, person-centred care in line with the IJB's statutory duty for the quality of health and care services. An annual work plan is in place to ensure all key pieces of work are covered.

### **System of Internal Control**

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

- Financial regulations and codes of financial practice;
- Management information systems and regular monitoring reports, including performance and financial reporting;
- A risk management strategy and regular monitoring and updating of risks;
- Annual assurance statements prepared by each IJB committee to provide assurance that the committee structure supports delivery of IJB strategic priorities and ensures that operational and strategic risks are being managed effectively;
- Comprehensive budgeting systems and a formal budget setting process;
- Regular reporting to the Audit Committee including internal audit progress reports;
- Regular reporting to Falkirk Council's External Scrutiny Committee and the Community Planning Partnership;
- Minutes of IJB meetings are submitted to Falkirk Council and NHS Forth Valley; and
- Publication of the IJB annual performance report.

### **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 of the effectiveness of the framework is informed by the work of the Chief Officer and Senior Management who have responsibility for development and maintenance of the governance environment together with reports by the Chief Internal Auditor and reports

from External Auditors and other review bodies as appropriate.

The IJB operates in accordance with Public Sector Internal Audit Standards (PSIAS) which require the Chief Internal Auditor to deliver an annual opinion and report to inform the IJB's governance statement.

The Chief Internal Auditor reports directly to the Audit Committee on all audit matters, with the right of access to the Chief Officer, Chief Finance Officer, and Chair of the Audit Committee on any matter. The Audit Committee agrees a risk based internal audit work plan targeted to the highest risk areas in order to ensure that all proposed audit activity is focussed on key areas and is sufficient in order to provide an appropriate level of assurance.

The annual internal audit and assurance report for 2023/24 has been received which confirms that sufficient internal audit activity was undertaken during the year to allow a balanced opinion to be provided. Summaries of the issues arising in relation to each system or activity covered by Internal Audit work in 2023/2024 are reported separately to the Audit Committee.

Appropriate responses to the recommendations made in internal audit reports have been obtained. When actioned, the recommendations made in the Internal Audit reports should provide management with additional comfort that the system of control operates as intended. It is therefore imperative that the agreed actions are implemented by management. A follow up process is in place which ensures that all actions arising from internal audit reviews are captured within a follow up database and are subject to follow up and validation by the Internal Audit on a regular basis, with reporting on progress to the Audit Committee.

The annual internal audit report confirms that reliance can be placed on the IJB's governance arrangements and systems of internal control for the year to 31 March 2024.

## Areas for improvement

The IJB adopts a continuous improvement approach as part of our ongoing effort to enhance our governance arrangements and system of internal control. A number of areas for improvement were identified during 2023/24 and a summary of actions taken is included in the table below.

Area Identified for Improvement	Current Status
<p><b>Progress with Integration Scheme / MSG Self-Assessment</b></p>	<p>In 2023/24 there has been progress with the transfers of administrative staff based in community healthcare settings and Medical Staff for relevant specialities. However due diligence remains outstanding for associated budgets and will now be incorporated into the wider due diligence requirement from more recent transfers (below).</p> <p>Operational management of Primary Care, Mental Health and Health Improvement transferred to HSCPs around January 2023 and a new Head of Service for Primary Care and Out of Hours Service manager have now been recruited. Other requirements may arise from the associated due diligence exercise.</p> <p>Baseline set aside activity metrics have not progressed recently and require to be progressed during 2024/25.</p> <p>Provision of corporate support arrangements from both partners will be considered as part of the review of the Integration Scheme.</p> <p>Risk sharing arrangements have been agreed for 2023/24. Longer term risk sharing arrangements require to be agreed and clearly defined as part of the review of the Integration Scheme, which is progressing and is expected to be concluded around October 2024.</p> <p>There has been limited progress with the refreshed self-assessment against the Ministerial Strategic Group (MSG) recommendations, prepared in May 2019. Some early work has taken place to consider the updated position and will be taken forward following the review of IJB governance arrangements.</p>
<p><b>Implementation of the CIPFA Financial Management code</b></p>	<p>Self-assessment of IJB financial management arrangements against CIPFA recommended standards was undertaken. A development session was held on 6<sup>th</sup> October 2023 and the results reported to the November 2023 Audit Committee. With one exception, all relevant standards were considered fully met, with the exception being partially met.</p> <p>The partially met standard related to the requirement to have a Medium-Term Financial Plan. A four year Medium Term Financial Plan was prepared for, presented to, and approved by the IJB in March 2024 meeting. This Plan will be rolled forward in future years.</p>

**Area Identified for Improvement****Current Status****Audit Committee self-assessment against good practice principles**

This was a 2021/22 annual accounts external audit recommendation. Evaluation against CIPFA's 'Good Practice Audit Committees Principles Checklist' or 'Evaluation of Effectiveness Toolkit' to be progressed. The Internal Audit 2023/24 review work plan included a review to inform the self-assessment, and this is now complete. A number of considerations were identified and will be taken forward by management during 2024/25, as part of a review of overall governance arrangements.

**Other Internal & External Audit Reviews**

Risk Management - Interim RM policy and annual performance report were presented to the June Audit Committee. Training requirements, risk appetite and final risk management policy are progressing on an ongoing basis.

Directions – Action Plan is in progress and Directions are issued quarterly, following IJB Board approval however the level of detail recommended in the Internal Audit review is yet to be reached due to capacity challenges that are not likely to abate until the revised management structure is implemented. The Chief Finance Officer will take forward this review during 2024/25.

Resilience & Business Continuity – Internal Audit recommendations and management Action plan were presented to the Sept 2022 Audit Committee. Business continuity software has been purchased by the Council, and there has been 1 workshop since, but further work is required to get full engagement. There is a programme for all adult social work to be on the software by September, with NHS elements later in 2024/25.

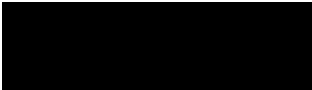
**Emerging Governance Issues**

As noted above, responsibility for a number of services has transferred to the IJB during 2023/24. Due diligence with regard to the service transfers remains outstanding and will be progressed in conjunction with colleagues from NHS Forth Valley and Falkirk Council. Scottish Government also offered staffing support as a result of NHS Forth Valley being escalated to level 4 due to a number of concerns including integration.

**Conclusion and Opinion on Assurance**

Subject to the above, and on the basis of the assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting on achievement of the IJBs principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment.



**Fiona Collie**

Chair

15 November 2024



**Gail Woodcock**

Chief Officer

15 November 2024

## Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments this is shown in the Movement in Reserves Statement.

2022-23			Comprehensive Income & Expenditure Statement	2023/24			Notes
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	
39,844	0	39,844	Large Hospital Services	42,952	0	42,952	
155,151	0	155,151	Community Health and Social Care Services	170,528	0	170,528	
86,130	0	86,130	Primary Healthcare Services	92,745	0	92,745	
470	0	470	IJB Running Costs	543	0	543	
281,595	0	281,595	Sub-Total	306,768	0	306,768	
(273,371)	0	(273,371)	Taxation and Non-Specific Grant Income	(299,200)	0	(299,200)	5
8,224	0	8,224	(Surplus) or Deficit on Provision of Services	7,568	0	7,568	4
<b>8,224</b>	<b>0</b>	<b>8,224</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>7,568</b>	<b>0</b>	<b>7,568</b>	

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

## Movement in Reserves Statement

This statement presents the movement during the year on the IJB's reserves. 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.

Movement in reserves statement			
Movement in Reserves During 2023-24	General Fund Balance £'000	Unusable Reserves £'000	Total Reserves £'000
Opening Balance @ 31 March 2023	(28,829)	0	(28,829)
Total Comprehensive Income and Expenditure	7,568	0	7,568
Increase or Decrease in 2023-24	(21,261)	0	(21,261)
<b>Closing Balance @ 31 March 2024</b>	<b>(21,261)</b>	<b>0</b>	<b>(21,261)</b>
Movement in Reserves During 2022-23	General Fund Balance £'000	Unusable Reserves £'000	Total Reserves £'000
Opening Balance @ 31 March 2022	(37,053)	0	(37,053)
Total Comprehensive Income and Expenditure	8,224	0	8,224
Increase or Decrease in 2022-23	(28,829)	0	(28,829)
<b>Closing Balance @ 31 March 2023</b>	<b>(28,829)</b>	<b>0</b>	<b>(28,829)</b>

## Balance Sheet

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

Balance Sheet as at 31 March 2024			Note
31 March 2023		31 March 2024	
28,829	Short Term Debtors	21,261	
28,829	<b>Current Assets</b>	21,261	6
0	Short Term Creditors	0	
0	<b>Current Liabilities</b>	0	7
0	Provisions	0	
0	<b>Long-Term Liabilities</b>	0	
28,829	<b>Net Assets</b>	21,261	
(28,829)	Useable Reserves: General Fund	(21,261)	9
0	Unuseable Reserves	0	
(28,829)	<b>Total Reserves</b>	(21,261)	

The unaudited accounts were issued on 18 June 2024 and the audited accounts were issued on 15 November 2024.



**Marie Keirs**  
Chief Finance Officer  
15 November 2024



## Notes to the Financial Statements

### 1. Significant Accounting Policies

#### General Principles

The 2023/24 Financial Statements have been prepared on a going concern basis and summarise the IJB's transactions for financial year 2023/24 and its financial position at 31 March 2024.

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

#### Going Concern

The Financial Statements are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 supported by International Financial Reporting Standards (IFRS). The IJB is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity.

The Annual 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.

The IJB's funding from and commissioning of services to partners has been confirmed for 2024/25 and an updated medium term financial plan has been developed covering the period through to financial year 2027/28. The IJB considers there are no material uncertainties around its going concern status.

#### Accruals of Income and Expenditure

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

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

#### Funding

The IJB is primarily funded through contributions from the statutory funding partners, Falkirk Council and NHS Forth Valley which includes the pass through of funds from Scottish Government for the specific use of the IJB. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Falkirk.

## **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.

## **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. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

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

## **Provisions, Contingent Liabilities and Contingent Assets**

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

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

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet but is disclosed in a note only if it is probable and can be reliably measured.

## **Reserves**

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

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

The IJB has no unusable reserves.

## **Indemnity Insurance**

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Forth Valley and Falkirk Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from

participation in CNORIS. The IJB participation in the CNORIS scheme is therefore similar to normal insurance arrangements for clinical and care services.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims, taking probability of settlement into consideration, are provided for in the IJB's Balance Sheet.

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

There were no claims or costs incurred during 2023/24 or the previous financial year 2022/23.

### **VAT**

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

The IJB is not registered for VAT and as such VAT is settled or recovered by the partners agencies. 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 the Council is the provider, income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HMRC and all VAT paid is recoverable from it. The 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 HMRC.

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

## **2. Events After the Reporting Period**

In accordance with the requirements of International Accounting Standards 10 (IAS 10), events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date that the accounts were certified by the Chief Finance Officer following approval by the Audit Committee.

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified namely:

- **Adjusting events:** Those that provide evidence of conditions that existed at the end of the reporting period. The Annual Accounts is adjusted to reflect such events.

- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period and the Statements are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

From our assessment we have not identified any material financial impact on the 31 March 2024 financial position.

### **3. Critical Judgements and Accounting Estimates**

The critical judgements made in the Financial Statements relating to complex transactions are outlined below:-

- Both partner organisations have considered their exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, or it is not probable in the partner organisations' opinion that a transfer of economic benefits will be required, material contingent liabilities have been disclosed (there are none).
- The Annual Accounts contain estimated figures that are based on assumptions made by the IJB about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.
- There are no items in the IJB's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year.

#### 4. Expenditure and Income Analysis by Nature

2022-23 £000s	Expenditure and Income Analysis by Nature	2023-24 £000s
97,139	Services commissioned from Falkirk Council	109,415
183,986	Services commissioned from NHS Forth Valley	196,810
0	Provisions	0
439	Other IJB Operating Expenditure	507
3	Insurance and Related Expenditure	3
28	Auditor Fee: External Audit Work	33
(273,371)	Partners Funding Contributions and Non-Specific Grant Income	(299,200)
<b>8,224</b>		<b>7,568</b>

Other IJB Operating Expenditure relates to shared costs for the Chief Officer, Chief Finance Officer, Senior Service Manager and supporting administration posts plus associated non-pay costs. Equal contributions to these costs are made by the constituent authorities to reflect the costs of running the Integration Authority.

#### 5. Taxation and Non-Specific Grant Income

The funding contribution from the two partner bodies is shown below.

2022-23 £000s	Taxation and Non-Specific Grant Income	2023-24 £000s
89,053	Funding Contribution from Falkirk Council	92,567
184,318	Funding Contribution from NHS Forth Valley	206,633
<b>273,371</b>		<b>299,200</b>

The funding contribution from the NHS Board shown above includes £42.952m in respect of 'set aside' resources relating to acute hospital and other resources (£39.844m 2022/23). These are provided by the NHS Forth Valley which currently 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.

#### 6. Debtors

At 31 March 2024 the IJB had debtors relating to reserves held by the two partner bodies, as shown in the table below.

2022-23 £000s	Debtors	2023-24 £000s
16,481	Falkirk Council	10,253
12,348	NHS Forth Valley	11,008
<b>28,829</b>		<b>21,261</b>

## 7. Creditors

There are no current year or prior year creditor balances.

## 8. Provisions

There are no provisions held in the balance sheet of the IJB.

## 9. Useable Reserve: General Fund

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

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key element of the IJB's financial risk management framework.

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

Balance at 31 March 2023 £000s	Reserves	TRANSFERS OUT £000s	TRANSFERS IN £000s	Balance at 31 March 2024 £000s
(53)	Services for Survivors	20	0	(33)
(52)	Sensory Strategy	0	(2)	(54)
(461)	Dementia Innovation Fund	0	(35)	(496)
(109)	Choose Life	39	0	(70)
(516)	Capital Grant	0	(175)	(691)
(1,255)	Housing Revenue Account	251	0	(1,004)
(3,147)	Carers Strategy	1,500	(512)	(2,159)
0	Early Intervention & Prevention Programme	0	(1,500)	(1,500)
(191)	Self Directed Support	0	(18)	(209)
(264)	Leadership Funds	0	(14)	(278)
0	JDI Building Work	0	(12)	(12)
(34)	MHO training	4	0	(30)
(2)	Digital Exclusion	2	0	0
(14)	Appropriate Adults	0	0	(14)
(28)	MECS Fire Safety	0	0	(28)
(191)	HSC Grant - Workforce Capacity	13	0	(178)
(1,800)	HSC Grant - Cost of Living	1,135	0	(665)
(1,176)	Partnership Funding	1,175	(583)	(584)
(238)	Innovation/Invest to Save	65	0	(173)
(250)	Technology Enabled Care	0	0	(250)
(60)	Locality Development	0	0	(60)
(544)	Health Inequalities & Wellbeing Fund	471	0	(73)
(92)	PC Transformation Fund	0	0	(92)
(105)	Mental Health Innovation Fund	105	0	(0)
(445)	GP Out of Hours Fund	27	(145)	(563)
(50)	GP Sub Committees	5	0	(45)
(204)	GMS Premises	167	0	(37)
(569)	Community Living Change Fund	130	0	(439)
(256)	Drugs Death Task Force funding	0	(274)	(530)
(65)	Perinatal Mental Health	65	(59)	(59)
(12)	GP Practice Exclusion Incident Audit	0	0	(12)
(39)	GDS Electric Speed Adjusting Hand Pieces	0	0	(39)
(79)	GDS Ventilation Improvement Allowance	65	0	(14)
(64)	Public Dental Service remobilisation	18	0	(46)
(99)	Emergency Covid Funding For Eating Disorders	0	0	(99)
(118)	Mental Health Recovery & Renewal Phase 2 PDS	118	(21)	(21)
(18)	Mental Health Recovery & Renewal Primary Care	18	0	0
(55)	Mental Health Recovery & Renewal Psych Therapies	55	0	0
(54)	Primary Care Digital Improvement	0	0	(54)
(399)	Mental Health Premises Improvement	286	0	(113)
(26)	GP Practice Telephony System Funding	16	0	(10)
(171)	PCIP Transitional Payments	171	0	0
(200)	Prescribing HSCP Invest To Save	0	0	(200)
(54)	Primary Care Improvement Fund	54	0	0
(325)	Primary Care Pay Earmarked Reserves	69	0	(256)
(52)	Long Covid Support Fund	44	(71)	(79)
(183)	Mh Outcomes Framework - General	183	(114)	(114)
(18)	Mh Outcomes Framework - Innovation Fund	18	0	0
(54)	Learning Disability Health Checks	19	(58)	(93)
(87)	District Nurse Posts	51	(51)	(87)
(24)	Global Sum & Correction Factor	0	(14)	(38)
(28)	NHS Board Funds (PMS)	0	(28)	(56)
0	MH Strategy (Action 15)	0	(44)	(44)
0	Interim Care Home Beds	0	(44)	(44)
0	Digital Therapy Posts	0	(31)	(31)
(14,330)	Total Earmarked Reserves	6,359	(3,805)	(11,776)
(7,901)	Service Pressures	5,344	(2,458)	(5,015)
(829)	Development Funds	50	0	(779)
(8,730)	Total Service Pressures and Development Funds	5,394	(2,458)	(5,794)
(2,050)	Contingency Reserve	0	(195)	(2,245)
(3,719)	General Reserve	3,081	(808)	(1,446)
(5,769)	Total Contingency and General Reserves	3,081	(1,003)	(3,691)
<b>(28,829)</b>	<b>GRAND TOTAL</b>	<b>14,834</b>	<b>(7,266)</b>	<b>(21,261)</b>

Further information on some of the less recognisable reserves is provided below:

- Partnership Funding: This is funding provided by the Scottish Government previously referred to as Delayed Discharge and/or the Integrated Care Fund.
- Capital Grant Council: This is funding received as part of the Falkirk Council financial settlement and is tied to private sector housing grants. It is used to fund aids and adaptations to privately owned houses.
- Housing Revenue Account Council: This is funding received as part of the Falkirk Council financial settlement and is derived from council house rents. As such it is ringfenced for aids and adaptations within council house properties.

## 10. Related Party Transactions

The IJB has related party relationships with NHS Forth Valley and Falkirk 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.

### Transactions with NHS Forth Valley

2022-23 £000s	Transactions with NHS Forth Valley	2023-24 £000s
(184,318)	Funding contributions received from NHS Forth Valley	(206,633)
183,986	Expenditure on services provided by the NHS Board	196,810
13,694	Integration Funding passed through to Falkirk Council	10,881
230	Key management personnel: non-voting Board members	282
<b>13,592</b>		<b>1,340</b>

### Balances with NHS Forth Valley

2022-23 £000s	Balances with NHS Forth Valley	2023-24 £000s
12,348	Debtor balances: amounts due from the NHS Board	11,008
0	Creditor balances: amounts due to the NHS Board	0
<b>12,348</b>		<b>11,008</b>

Key Management Personnel: The Chief Officer is employed by Falkirk Council and the Chief Finance Officer by NHS Forth Valley. The cost of the posts are recharged to the IJB and funded via equal contributions from the constituent authorities based on voting shares. Details of the remuneration for the Chief Officer and the Chief Finance Officer are provided in the Remuneration Report.

Support services were not delegated to the IJB through the Integration Scheme and are instead provided free of charge as a 'service in kind'. The support services provided by NHS Forth Valley mainly consist of performance management, human resources, financial management, risk management, information services, information technology and payroll.



## Transactions with Falkirk Council

2022-23 £000s	Transactions with Falkirk Council	2023-24 £000s
(89,053)	Funding contributions received from Falkirk Council	(92,567)
97,139	Expenditure on services provided by Falkirk Council	109,415
(13,694)	Integration Funding passed through to Falkirk Council	(10,881)
240	Key management personnel: non-voting Board members	261
<b>(5,368)</b>		<b>6,228</b>

## Balances with Falkirk Council

2022-23 £000s	Balances with Falkirk Council	2023-24 £000s
16,481	Debtor balances: amounts due from Falkirk	10,253
0	Creditor balances: amounts due to Falkirk	0
<b>16,481</b>		<b>10,253</b>

Support services were not delegated to the IJB through the Integration Scheme and are instead provided free of charge as a 'service in kind'. The support services provided by Falkirk Council mainly consist of governance services, human resources, financial management, information services, risk management, information technology and payroll.

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

## Reporting on the audit of the financial statements

### Opinion on financial statements

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

In my opinion the accompanying financial statements:

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

### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27 I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern basis of accounting

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

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

doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Risks of material misstatement**

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

### **Responsibilities of the Chief Finance Officer and Audit Committee for the financial statements**

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

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

The Audit Committee is responsible for overseeing the financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the body;
- inquiring of the Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;

- inquiring of the Chief Finance Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my 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 my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

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

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

## Reporting on other requirements

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

I have audited the parts of the Remuneration Report described as audited. In my 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 Finance 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.

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

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

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

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

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

### **Matters on which I am required to report by exception**

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

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

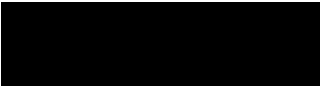
I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

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

### **Use of my report**

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



Pauline Gillen  
Audit Director  
4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT  
15 November 2024

## Glossary

While much of the terminology used in this document is intended to be self-explanatory, the following additional definitions and interpretation of terms may be of assistance.

<b>Accounting Period</b>	<b>The period of time covered by the accounts, which is normally a period of 12 months commencing on 1 April.</b>
<b>Assets</b>	An asset is categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non current asset will provide benefit for a period of more than one year. The Falkirk Integration Joint Board is not allowed to hold non current assets.
<b>Balance Sheet</b>	This represents the overall financial position of the Falkirk Integration Joint Board at the end of the year. All inter-company balances between the Board and its constituent bodies have been eliminated in preparation of the balance sheet.
<b>Comprehensive Income &amp; Expenditure Statement (CIES)</b>	This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices (IFRS).
<b>Constituent Authorities</b>	The Falkirk Integration Joint Board has two constituent authorities which both fund the Board's activities and provide services to the Board. These are NHS Forth Valley and Falkirk Council.
<b>Creditor</b>	Amounts owed by the Falkirk Integration Joint Board for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.
<b>Debtor</b>	Amount owed to the Falkirk Integration Joint Board for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.
<b>Events after the Reporting Period</b>	<p>Events after the Reporting Period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Should such events occur it may or may not be necessary to adjust the accounts. Guidelines are in place to determine whether an adjustment should be made to the accounts.</p> <p>Events taking place after the accounts have been authorised are not reflected in the financial statements or notes.</p>
<b>General Fund</b>	The General Fund encompasses all services areas and is funded mainly by the constituent bodies or the Scottish Government.
<b>Government Grants</b>	Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with

<b>Accounting Period</b>	<b>The period of time covered by the accounts, which is normally a period of 12 months commencing on 1 April.</b>
	certain conditions relating to the activities of the Falkirk Integration Joint Board. These grants may be specific to a particular scheme or may support the revenue spend of the Falkirk Integration Joint Board.
<b>Gross Expenditure</b>	This includes all expenditure attributable to the service and activity including employee costs, expenditure relating to premises and transport, supplies, and services, third party payments, support services and capital charges.
<b>Gross Income</b>	This includes grant income and all charges to individuals and organisations for the direct use of the Board's services.
<b>Liability</b>	A liability is where the Falkirk Integration Joint Board owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors. A long term liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.
<b>Movement in Reserves Statement</b>	This statement shows the movement in the year on the different reserves held by the Board, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and unusable reserves.
<b>Net Expenditure</b>	This relates to gross expenditure less gross income and is the amount that needs to be funded by the constituent bodies and the Scottish Government.
<b>Notes to the Core Financial Statements</b>	These are intended to give the reader further information which is not separately detailed in the financial statements.
<b>Provision</b>	An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates or when they will arise are uncertain.
<b>Related Parties</b>	These are entities or individuals that have the potential to control or influence the Falkirk Integration Joint Board, or to be controlled or influenced by the Board.
<b>Remuneration</b>	All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash.
<b>Reserves</b>	The accumulation of surpluses, deficits, and appropriations over past years. Reserves can be either usable or unusable. Usable reserves can be used to fund expenditure. Unusable reserves are accounting adjustments which enable a true and fair view to be



<b>Accounting Period</b>	<b>The period of time covered by the accounts, which is normally a period of 12 months commencing on 1 April.</b>
	determined. Unusable reserves cannot be used to fund expenditure. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Board.
<b>Revenue Expenditure</b>	The day-to-day running costs associated with the provision of services.