



Dumfries and Galloway
Integration Joint Board
Audit Risk and Governance Committee

**Minute of Dumfries and Galloway
Integration Joint Board Audit, Risk and
Governance Committee meeting held on
16th September 2025**

For Approval

Minute of the Dumfries and Galloway Integration Joint Board Transformation and Innovation / Futures Committee held on Tuesday 16th September 2025 at 2pm via Microsoft Teams

Voting Members Present:

Gwilym Gibbons	(GG)	NHS Voting Member (Chair)
Lynne Davis	(LD)	Substitute - Local Authority Voting Member

Advisory Members Present:

Kirsty Bell	(KB)	Programme Manager
Mathew Crosby	(MC)	Interim Chief Finance Officer
Mark Kelly	(MK)	Director of Nursing, NHS D&G
Peter Lindsay	(PL)	Senior Audit Manager, Audit Scotland
Gordon McAllister	(GMc)	Senior Auditor, Audit Scotland
Gareth Marr	(GM)	Interim Chief Officer
Stephen Morgan	(SM)	Chief Social Work Officer
Amber Murray	(AM)	EA to Chief Officer / Admin Support
Julie Watters	(JW)	Chief Internal Auditor

Supporting Present:

Richard Fox	(RF)	Internal Audit Manager - Dumfries and Galloway Council
Glenn Moonie	(GM)	Finance Officer (<i>for the Integration Joint Board</i>), D&G Council

Apologies:

Grecy Bell	(GBe)	Registered Medical Practitioner
Ken Donaldson	(KD)	Medical Director

1. Apologies for Absence

Apologies were noted as above.

2. Declaration(s) of Interest

No declarations of interest were noted.

3. Minutes from 24th June 2025

These notes were approved as an accurate record.

4. Action Plan / Rolling Agenda Matrix

All Actions were discussed and AM will continue to update accordingly.

KB will pick up within the next Item, in terms of Membership Updates.

5. Governance / Membership Update

KB mentioned the first component of this report is the Best Value Statement which is a requirement of the IJB to ensure that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public, this was previously shared around IJB Members, with no feedback back this is recommended to go to IJB in December for final approval.

GM raised concerns about the current assurances around best value, particularly in light of financial pressures and service delivery challenges and expressed discomfort in signing off the Best Value Statement without further scrutiny. AM to arrange a discussion with KB, GM, SM and MC. Noting this is the Best Value Statement for 24/25 not the current situation as referenced in the meeting.

Action: AM

The second component of this report is the IJB's Risk Register. These have been shared with all IJB members following the previous Audit, Risk and Governance Committee held on 24th June 2025.

KB outlined the three existing risks:

- **Risk 1:** Lack of sustainability of resources to meet the Strategic Commissioning Plan.
- **Risk 2:** Failure to make progress against the nine National Health and Wellbeing Outcomes.
- **Risk 3:** Failure to deliver on strategic direction and intent.

Each risk included:

- Current controls in place.
- Further controls planned to mitigate the risks.

MK cautioned against publishing risks without context, fearing it could cause confusion or alarm. Which SM then questioned whether the current risk levels accurately reflect the severity of the financial and service delivery challenges.

Following discussion JW suggested that if risks are published, they should exclude detailed controls to avoid exposing sensitive mitigation strategies. KB acknowledged the concerns and agreed that the format and timing of publishing risks need careful consideration.

Proposed a deep dive into the risk register at the next IJB Audit, Risk & Governance Committee to reassess:

- Risk levels.
- Risk appetite.
- Alignment with current realities.
- Agree to look into new risks: Including:
 - Data Sharing – Previously Mentioned by Councillor I Carruthers
 - Lack of Compliance with IJB Governance arrangements

AM will add this to the Agenda Matrix for the next Committee meeting.

Action: AM

Within the section 3 of the report an overview of Freedom of Information request within 24 / 25. The IJB had received a small number of FOI requests. They were approximately 90% compliant in responding to these requests.

For FOIs that related to information held by either the NHS Board or the Local Authority, the IJB responded that it did not hold the information and referred the request to the appropriate party.

Decision (s)

Committee Members:

- **Considered the content of the Best Value Statement with a view to giving recommendation to the IJB for approval on 16th December 2025.**
- **Considered the enclosed Risk Register with a view to giving recommendation to the IJB for approval on 16th December 2025.**
 - **Approved additional risk on membership (*governance*)**
- **Noted this update is provided for information and assurance ahead of the IJB meeting scheduled for 16th December 2025, confirming that FOI requests are being managed in accordance with statutory processes and timelines.**

6. Internal Audit Report – Care and Support at Home

RF highlights to members that this paper provides a follow-up on an Internal Audit Report on Care and Support at Home for older adults that was received by this Committee in September 2024, which sits within the operational remit of the Community Health and Social Care Directorate.

Focused on issues around:

- Use of directions from the IJB to partner bodies – KB confirmed the directions must be clear and include budget allocations and should be reviewed from both LA Senior Leadership Team and NHS Board Management Team in advance of any Directions being issued so no surprises for parties – this forms part of the Directions Policy and associated procedure as seen and approved by all Parties (including formal sign off of the process at the IJB)
- Methods of payment for care and support services.
- Each delegated function (and associated Services) in the Integration Scheme should have a corresponding direction with funding allocated – KB highlighted that there is a new suite of Directions drafted to ensure compliance to what we are statutory bound to via the Public Bodies Act

2024. These have been drafted due to the current review of the Integration Scheme.

SM acknowledged past weaknesses in financial detail within directions, but also expressed confidence that current work will significantly improve clarity and accountability as outlined by KB.

JW requested:

- A breakdown of which audit actions were accepted, completed, or still outstanding. As this would help ensure proper closure and tracking of audit recommendations.
- RF agreed to follow up offline, noting that the Council's usual process is to bring reports back for committee review rather than track individual actions. This will be brought back to the first committee of 2026. Original Audit report to also be included and RF / JW will liaise.

Action: AM / JW / RF

Decision (s)

Committee Members:

- **Noted the paper and consider whether to receive a further update on the issues raised in 12 months- time.**
- **Noted that we require to ensure via the Leadership Team (Partnership) the operational detail is sought from the responsible officer – Steph Mottram, General Manager for Community Health and Social Care.**

7. Chief Internal Auditor Annual Report 2024 – 2025

JW confirmed this report is to provide assurance on the Internal Control, Governance, and Risk Management arrangements for the IJB.

Based on audit work carried out within:

- NHS Dumfries & Galloway
- Dumfries & Galloway Council
- Integration Joint Board (IJB)

Assurances were drawn from audits within NHS and Council that impact IJB functions, including:

- Recruitment
- Patient information
- Alcohol & Drug Partnership
- Governance and risk frameworks

JW mentioned in terms of the Governance Statement Support, she wrote a letter to herself as IJB Auditor summarising NHS Audit assurances.

JW and RF maintain a joint working protocol to co-ordinate audit planning and assurance sharing, Both NHS and Council are preparing to comply with new internal audit standards effective from 2025 - 2026.

SM requested a visual governance map to show NHS, Council and IJB Assurance Structures and thanked JW for the report presented today. GG supported this idea in terms of visual representation. JW / KB will work out with to develop this.

Action: JW / KB

Decision (s)

Committee Members:

- **Noted the contents of this report which summarises the work undertaken by Internal Audit during 2024/25 and provides the Chief Internal Auditor's opinion on the internal control environment within the Integration Joint Board for the financial year 2024/25.**

8. External Audit Annual Report

Jointly updated by PL and GMc this Committee has responsibility for agreement of the External Audit Plan prepared by Audit Scotland as our External Auditors which sets out how they will discharge their responsibilities as set out in the Audit Scotland Code of Audit Practice 2016 as well as requirements under International Standards of Auditing (ISA's) (UK and Ireland).

The report reflects the External Audit Annual Report for the External Audit process for 2024 / 2025 as prepared by Audit Scotland for the Integration Joint Board.

Audit Scotland has been appointed as the External Auditors for the Integration Joint Board for the period 2022 / 2023 to 2026 / 2027 inclusive.

PL provided a summary of the Audit Findings to date:

Audit Opinion:

- A clean, unqualified unmodified audit opinion was issued on the IJB's 2024 - 2025 annual accounts.
- No uncorrected misstatements were identified.

Financial Position:

- The IJB achieved a balanced position in 2024 - 2025 only due to additional non-recurring funding from partner bodies.
- Reserves decreased by nearly £5 million.
- No uncommitted reserves remain, limiting flexibility to respond to future pressures.

Financial Sustainability:

- The 2025 - 2026 financial plan shows a significant projected deficit and a challenging savings target.
- A key recommendation was made that the IJB must develop a robust medium – long term financial plan.

Governance and Best Value:

- Governance and performance management arrangements were deemed appropriate.
- Best value arrangements were considered in place, though the committee had earlier flagged concerns about the accuracy of the Best Value Statement.

MC asked for further clarity in how the External Auditors assessed the IJB's going concern status, especially given the current year's financial pressures. Also highlighted that the IJB is facing a significant in-year deficit and that he was personally uncomfortable signing the required Letter of Representation without further assurance from the Council – however it is worth noting that MC is comfortable with the Healths delegated budget as underwritten by Scottish Government.

PL clarified that the going concern assessment is based on:

- The IJB's approved 2025–26 financial plan.
- Ongoing support from partner bodies (*Council and NHS*).
- Monthly financial oversight meetings.

PL also mentioned while the IJB has no uncommitted reserves, the assumption of continued partner support underpins the going concern conclusion.

GG as Interim Chair within this committee queried whether the IJB, as a legal entity, truly carries the going concern risk, or whether it sits with the Council and NHS as delivery partners, and raised a concern about approving the accounts without clarity on the IJB's financial future.

MC concluded the discussion confirming he would not be signing the Letter of Representation unless he receives written assurance from the Council that it will cover the projected deficit. KB added that this raised the possibility that the accounts may not be signed off by the statutory deadline unless resolved.

Following scrutinising and reviewing this report, members delegate authority to the Chair to approve the accounts once that assurance is received.

Decision (s)

Committee Members:

- **Scrutinised and reviewed the attached External Audit Annual Report (*Appendix 1*) for Dumfries and Galloway Integration Joint Board for the financial year ending 31st March 2025 and members delegate authority to the IJB Audit Risk and Governance Chair to approve the accounts once that assurance is received.**

9. NHS Audit and Risk Committee Annual Assurance Statement

JW mentioned the statement reflects the self-assessment and governance assurance processes undertaken by the NHS Audit and Risk Committee.

Julie highlighted that the NHS committee:

- Conducts regular reviews of its effectiveness.
- Aligns its work with Audit Scotland guidance and the Audit Committee Handbook.
- Produces an annual report summarising its activities, findings, and assurance levels.

NHS committee also performs a six-monthly review, which adds depth to its assurance processes.

This was shared to provide transparency and demonstrate how NHS governance feeds into IJB assurance.

10. Dumfries and Galloway Council Audit Risk and Scrutiny Committee Annual Report

JW had requested these were also included to provide a balanced view of assurance from both partner bodies, The Council's Audit Risk and Scrutiny Committee undertakes a similar self-assessment process to the NHS committee.

Including both NHS and Council reports helps the IJB committee understand how partner governance structures support IJB assurance and these reports show that both bodies are actively engaged in scrutiny and improvement.

JW also noted that these reports are useful for the IJB when preparing its own Annual Governance Statement, as they provide supporting evidence of system-wide assurance.

11. Integration Joint Board Annual Governance Statement 2024 / 2025

MC confirmed the Annual Governance Statement is a statutory requirement that outlines how the IJB ensures good governance, accountability, and transparency in its operations. It draws on internal audit findings, risk management processes, and assurance from partner bodies. MC described it as a routine annual process based on established governance frameworks and assurance sources.

Both MC and KB confirmed that no significant governance failures or concerns had been identified during the reporting period.

Members approved for this to be included in the IJB's annual accounts and submitted to the IJB Board for final sign off.

Decision (s)

Committee Members:

- **Scrutinised and reviewed the Final IJB Governance Statement and Assurance Processes for 2024 / 2025.**

12. IJB Annual Report and Accounts 2024/25

MC introduced the accounts as the final audited version for 2024/25, noting that the external auditors had issued a clean, unqualified opinion, and invited members in to comment or raise any questions regarding the accounts.

MC again, stated he was not comfortable signing the letter unless he received written assurance from Dumfries & Galloway Council that it would cover the projected in-year deficit for 2025/26 and emphasised that while the 2024 / 2025 accounts were accurate, the current financial year posed serious risks to the IJB's ability to remain a going concern.

Financial Context:

- The IJB is facing a multi-million-pound deficit in 2025 / 2026.
- Savings plans are in place but not sufficient to close the gap.
- The Council has reserves, but MC needs confirmation they will be used to support the IJB if needed.

MC made it clear he would not sign the letter unless he could professionally justify the going concern assumption and he referenced his duty to ensure Financial Stewardship and avoid signing off on something that could later be challenged.

GG acknowledged the seriousness of MC concerns, and suggested that the committee approve the accounts conditionally, subject to receiving the necessary assurance and also proposed delegating authority to the Chair to approve the accounts once assurance is received.

KB supported MC position and outlined the governance consequences if the accounts are not signed:

- Notification to Audit Scotland.
- Potential extraordinary IJB Board meeting.
- Risk to statutory deadlines and confidence in financial governance.

Decision (s)

Committee Members agreed:

- Approved the accounts conditionally, pending written assurance from the Council.
- Delegated authority to the Chair to sign off once assurance is received.
- Recognised the urgency of resolving the issue before the statutory deadline.

13. Any Other Business

No AOCB was noted.

14. Date of Next Meeting

The next meeting of this Committee will be on Tuesday 18th November 2025, 2.00pm – 4.00pm via Microsoft Teams