Item No 8

Glasgow City Integration Joint Board

[Provisional] Annual Audit Report

13 September 2026

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The better the answer.
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Contents

About this report

This report has been prepared in accordance with the Terms of Appointment Letter, through which the Accounts Commission has appointed us as external auditor of Glasgow City Integration Joint Board for financial years 2022/23 to 2026/27.

This report is for the benefit of the IJB and is made available to the Accounts Commission, the Controller of Audit and Audit Scotland (together the Recipients). This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

Accessibility

Our report may be available on Audit Scotland's website, and we have therefore taken steps to comply with the Public Sector Bodies Accessibility Regulations 2018. Responsibility rests with the publishing organisation to ensure that standards are met.

EY

Executive summary

This [provisional] report summarises the findings from the 2025/26 annual audit of Glasgow City Integration Joint Board (the "IJB"). The scope of the audit was set out in our Annual Planning Report, which was presented to the 4 February 2026 meeting of the IJB's Finance, Audit and Scrutiny Committee. The report summarises:

- Our conclusions arising from the audit of the IJB's financial statements; and
- A summary of significant matters and conclusions on the wider scope areas that frame public audit as set out in the Code of Audit Practice 2021.

Our audit of the financial statements

We have [concluded] our audit of the financial statements of Glasgow City Integration Joint Board for the year ended 31 March 2026. The draft financial statements and supporting working papers were of a good quality and [we identified no adjusted or unadjusted differences arising from the audit which require to be reflected in the financial statements]. Minor disclosure amendments were processed within the financial statements as part of the audit process. Our final overall materiality was £20 million, with performance materiality of £15 million, unchanged from the levels communicated in our Annual Planning Report.

Our Annual Planning Report identified significant risks relating to fraud in expenditure recognition and management override of controls. Our audit procedures did not identify any material misstatements arising from these risks or evidence of management override. We were also satisfied that the Annual Governance Statement reflects the requirements of CIPFA's updated Delivering Good Governance Framework, including the identification and disclosure of relevant areas for improvement.

In accordance with the CIPFA Code of Practice on Local Government Accounting, the IJB prepares its financial statements on a going concern basis unless informed by the Scottish Government of the intention for dissolution without the transfer of services or functions to another entity. The IJB concluded there are no material uncertainties regarding its going concern status. While significant financial challenges remain, the IJB has approved a medium-term financial strategy designed to address forecast funding pressures through the STEP Forward programme, including a planned and time-limited use of reserves during 2026/27 while transformational savings are implemented. We concurred with management's assessment that there are no material uncertainties in relation to the IJB's going concern status.

Best Value and wider scope responsibilities

Each Integration Joint Board has a statutory duty to have arrangements in place to secure Best Value. Overall, we concluded that the IJB continues to demonstrate the key elements required to support Best Value, with effective arrangements for financial management, governance, risk management and performance oversight. Progress has been achieved across a range of strategic priorities and transformation initiatives during 2025/26. However, the sustainability of these arrangements is increasingly dependent on the successful delivery of transformation.

Significant recurring funding gaps, continued reliance on reserves and growing demand pressures mean that maintaining Best Value will require decisions regarding future service delivery models and continued evidence that resources are being prioritised effectively to achieve improved outcomes.

The scale of the financial challenge had a direct impact on our wider scope conclusions:

Criteria		2025/26 Assessment of arrangements
Financial Management	G	The IJB has appropriate and robust arrangements for in-year financial management, supporting a Green assessment. The 2025/26 financial outturn included an operational service delivery underspend of £0.6 million, reflecting effective budget management in response to service pressures, alongside vacancy management, additional income recovery and prescribing efficiencies. The year-end position enabled the IJB to increase General Reserves by £8.8 million, strengthening its capacity to manage future financial risks
Financial Sustainability	R	The scale of the financial challenge facing the IJB, together with the level of savings and transformation required to achieve financial balance over the medium term, results in a Red assessment. The IJB faces significant medium-term financial sustainability challenges, with a projected cumulative funding gap of £103.3 million by 2028/29. General Reserves are forecast to fall during 2026/27, further reducing financial resilience. While it has developed an approved financial strategy through the STEP Forward programme, which is intended to address these pressures over the period of the Medium-Term Financial Outlook, the scale of the savings required in the timeframe necessary means there is risk relating to implementation and delivery timescales increase the risk to achieving long-term financial sustainability. (Refer to our recommendation in Appendix E).
Vision, Leadership and Governance	G	Governance and scrutiny arrangements met the expectations established in good practice guidance throughout 2025/26, supporting a Green assessment. We were satisfied that the Annual Governance Statement was consistent with CIPFA requirements and the IJB's governance arrangements. While internal controls were assessed as operating effectively, the IJB continues to address governance challenges relating to information governance, public protection, cyber resilience and risk management. Ongoing governance priorities include strengthening risk management arrangements, reviewing Standing Orders and progressing the delayed Integration Scheme review.
Use of Resources	G	The IJB has robust performance management arrangements and continued to demonstrate positive strategic delivery during 2025/26, supporting a Green assessment. It maintained financial balance while investing in preventative, community-based and technology-enabled models of care, with positive performance improvements in areas such as telecare, reablement and acute delayed discharges. However, significant financial, workforce and demand pressures remain, reinforcing the importance of the STEP Forward programme and wider transformation activity to support long-term sustainability.

1 Introduction

The Code of Audit Practice sets out the responsibilities of both the IJB and the auditor (summarised in Appendix A). We outlined the scope of our work within our Annual Planning Report which was presented to the IJB's Finance, Audit and Scrutiny Committee on 4 February 2026. There have been no material changes to the plan.

Purpose of our report

The Accounts Commission for Scotland appointed EY as the external auditor of Glasgow City Integration Joint Board ("the IJB") for the five-year period to 2026/27.

We undertake our audit in accordance with the Code of Audit Practice (June 2021); Auditing Standards and guidance issued by the Financial Reporting Council; relevant legislation; and other relevant guidance issued by Audit Scotland.

This [Provisional] Annual Audit Report is designed to summarise the key findings and conclusions from our audit work. It is addressed to both members of the IJB and the Accounts Commission and presented to those charged with governance. The report is provided to Audit Scotland and is published on their website.

A key objective of audit reporting is to add value by supporting the improvement of the use of public money. We aim to achieve this through sharing our insights from our audit work, our observations around where the IJB employs best practice and where practices can be improved, and how risks facing the IJB can be mitigated. We use these insights to form audit recommendations to support the IJB.

The areas identified are highlighted throughout this report together with our judgements and conclusions regarding arrangements, and where relevant recommendations and actions agreed with management. We also report on the progress made by management in implementing previously agreed recommendations as set out in Appendix E. Our audit was not designed to identify all matters that may be relevant to the IJB. Our views on internal control and governance arrangements have been based solely on the audit procedures performed in respect of the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

Our independence

We confirm that we have undertaken client and engagement continuance procedures, which include our assessment of our continuing independence to act as external auditor. Further information is available in Appendix B.

Our review and assessment of materiality

In our Annual Planning Report, we communicated that our audit procedures would be performed using an overall materiality of £20 million. Exhibit 1 confirms our updated assessment that this level of materiality remains appropriate for the IJB. Performance materiality remains at 75% of overall materiality at £15 million.

Exhibit 1: Updated assessment of materiality

Planning materiality

£20m

Within our Annual Planning Report, we reported our preliminary assessment that materiality would be set at £20 million for the IJB (*2024/25: £20 million*).

Considering the income and expenditure in 2025/26, following receipt of the unaudited accounts, we determined our materiality of £20 million remained appropriate. We set materiality at 1% of gross expenditure.

Performance materiality

£15m

Performance materiality has been set at £15 million for the IJB (*2024/25: £15 million*), which represents 75% of materiality.

We outlined our intention to report on misstatements that exceeded £1 million for the IJB within our Annual Planning Report. There were no adjustments that breached this threshold for the IJB.

In line with the requirements of the Code and regulations, the IJB must produce a remuneration report which includes disclosures in respect of officers of the IJB. The production of the remuneration report requires collation of information from a range of sources including the IJB's partner, Glasgow City Council, and Strathclyde Pension Fund. Based on our understanding of the expectations of financial statement users, we apply a lower materiality level to the audited section of the Remuneration Report. We also apply professional judgement to consider the materiality of related party transactions to both parties. We identified no adjustments that we assessed as material on the basis of public interest.

Financial statements audit

We are responsible for conducting an audit of the IJB's financial statements. We provide an opinion as to:

- Whether they give a true and fair view of the state of the affairs of the IJB as at 31 March 2026 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 2025/26 Code; and

- Whether they 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.

We also review and report on the consistency of the other information prepared and published along with the financial statements.

We outlined the significant risks and other focus areas for the 2025/26 audit in our Annual Planning Report, which was presented to the Finance, Audit and Scrutiny Committee on 4 February 2026. Two significant risks were identified within our Annual Planning Report impacting the audit of the financial statements. The two significant risks are:

- The risk of fraud in expenditure recognition (fraud risk); and
- The presumptive risk of management override of controls.

One other risk impacting the audit of the financial statements was identified, relating to going concern. We continued to place increased focus on management's assertion regarding the going concern basis of preparation in the financial statements.

Our findings in these areas are summarised in Section 2 of this report.

Wider Scope and Best Value audit

Under the Code of Audit Practice, our responsibilities extend beyond the audit of the financial statements. Due to the nature of the IJB, our wider scope work requires significant allocation of resources in the audit. The Code requires auditors to provide judgements and conclusions on the four dimensions of wider scope public audit:

- The IJB's arrangements to secure sound financial management;
- The regard shown to financial sustainability;
- Clarity of plans to implement the vision, strategy and priorities of the IJB, and the effectiveness of governance arrangements for delivery; and
- The use of resources to improve outcomes.

Our Annual Planning Report identified one area of significant risk in relation to the wider scope dimensions and best value audit:

- Medium term financial sustainability, regarding the development of sustainable and achievable savings plans.

Our annual assessment of the IJB's arrangements to secure Best Value is integrated within our wider scope annual audit work. Our wider scope and Best Value findings are summarised in Section 3 of this report.

2 Financial Statements

Status of the audit:
Our work is materially complete. Areas that remain outstanding at the time of reporting include:

- The completion of partner and manager review, other quality assurance arrangements and post balance sheet event procedures.
- Receipt and consideration of management's letter of representation at the date of signing the financial statements.

Introduction

The annual financial statements allow the IJB to demonstrate accountability for the resources that it has the power to direct, and report on its overall performance in the application of those resources during the year.

This section of our [provisional] report summarises the audit work undertaken to support our audit opinion, including our conclusions in response to the significant and other risks identified in our Annual Planning Report.

The plan highlighted one area that we identified as a fraud risk relating to the presumed risk of fraud in revenue and expenditure recognition, including through management override of controls. For the IJB, we consider this risk to manifest itself as an expenditure recognition risk.

Compliance with regulations

The financial statements were prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2025/26. The draft financial statements and supporting working papers were submitted for audit, following consideration by the Integration Joint Board, ahead of the required sector deadline of 30 June 2026. The IJB complied with key regulations, including the submission of draft financial statements for audit within the sector deadline and arrangements for public inspection.

As part of our oversight of the IJB's financial reporting process we consider key aspects of the IJB's preparation of the financial statements and supporting documentation, predominantly by the finance team, to support the audit. We also reviewed the financial statements and made minor comments aimed at improving compliance with the Code of Accounting Practice, or to enhance the understanding of the financial statements.

The key qualitative aspects that we consider in relation to the preparation of the financial statements, along with our conclusions, are set out within Exhibit 2 overleaf.

Audit outcomes

There were no adjusted or unadjusted differences arising from the audit which require to be reflected in the financial statements. We identified minor presentational changes which have been reflected within the financial statements. There were no unadjusted differences. Our overall audit opinion is summarised at Exhibit 3.

Our assessment of the quality of the financial statements preparation and support is summarised in Exhibit 2.

Exhibit 2: Factors impacting the execution of the audit

Area	Status	Explanation
Timeliness of the draft financial statements	Effective	▪ The financial statements were presented to the Integration Joint Board on 10 June 2026, and draft accounts were shared with audit ahead of the required sector deadline of 30th June 2026.
Quality and completeness of the draft financial statements	Effective	▪ Our review of the financial statements identified minor presentational and disclosure changes and minimal internal inconsistencies.
Delivery of working papers in accordance with agreed client assistance schedule	Effective	▪ The working papers to support the audit were provided prior to 30th June 2026 in line with the client assistance schedule shared with the Finance team.
Timeliness and quality of evidence supporting key accounting estimates	Effective	▪ Management identified one judgement within the financial statements, related to hosted services where, for example, Glasgow City IJB provides services for other IJBs. Supporting evidence for hosted services was provided prior to 30th June 2026 and management confirmed that the figures relating to Hosted Services provided by other HSCPs have been judged as appropriate to be included within the Accounts.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective	▪ There has been one change to the finance team in 2025/26 with effective transition arrangements and we received good support from the Deputy Chief Officer, Finance and Resources and Assistant Chief Officer, Finance throughout the audit.
Volume and value of identified misstatements	Effective	▪ We did not identify any differences arising from the audit in relation to the financial statements.
Volume of misstatements in disclosure	Effective	▪ We did not identify any adjustments that we assessed as material on the basis of public interest.
Adherence to public inspection period	Effective	▪ We were satisfied that the IJB made the financial statements available for public inspection in accordance with Regulation 9 of The Local Authority Accounts (Scotland) Regulations 2014.

Audit approach

We adopted a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated. Our audit involves:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud, error or design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IJB's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting. Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence to express an opinion on the financial statements.
- Reading other information contained in the financial statements to form an assessment, including that the annual report is fair, balanced and understandable.
- Ensuring that reporting to the Finance, Audit and Scrutiny Committee appropriately addresses matters communicated by us and whether it is materially inconsistent with our understanding and the financial statements.
- We rigorously maintain auditor independence (refer to Appendix B).

Our overall audit opinion is summarised on page [11].

Key Audit Matters

Under the Code of Audit Practice (the Code) issued by Audit Scotland in June 2021, key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Exhibit 3: Our Audit Opinion

Element of our opinion	Basis of our opinion	Conclusions
Financial statements ▪ Truth and fairness of the state of affairs of the IJB at 31 March 2026 and its expenditure and income for the year then ended. ▪ Financial statements in accordance with the relevant financial reporting framework and relevant legislation.	▪ We report on the outcomes of our audit procedures to respond to the most significant assessed risks of material misstatement that we have identified, including our judgements within this section of our report. We did not identify any areas of material misstatement. ▪ We are satisfied that accounting policies are appropriate, and estimates are reasonable. ▪ We have considered the financial statements against Code requirements, and additional guidance issued by CIPFA and Audit Scotland.	We [intend to issue] an unqualified audit opinion on the 2025/26 financial statements for the IJB.
Going concern ▪ We are required to conclude on the appropriateness of the use of the going concern basis of accounting.	▪ We conduct core financial statements audit work, including review and challenge of management's assessment of the appropriateness of the going concern basis. ▪ Wider scope procedures including the forecasts are considered as part of our work on financial sustainability.	In accordance with the work reported on page 17, we have not identified any material uncertainties.
Other information ▪ We are required to consider whether the other information in the financial statements is materially inconsistent with other knowledge obtained during the audit.	▪ The Depute Chief Officer, Finance and Resources is responsible for other information included in the financial statements. ▪ We conduct a range of substantive procedures on the financial statements, and our conclusion draws upon a review of committee and IJB minutes and papers, regular discussions with management, our understanding of the IJB and the wider sector.	We are satisfied that the Annual Report meets the core requirements set out in the Code of Practice on Local Authority Accounting.
Matters prescribed by the Accounts Commission ▪ Audited part of remuneration report has been properly prepared. ▪ Management commentary / annual governance statement are consistent with the financial statements and have been properly prepared.	Our procedures include: ▪ Reviewing the content of narrative disclosures to information known to us; and ▪ Our assessment of the Annual Governance Statement against the requirements of the CIPFA Delivering Good Governance Code.	We [intend to issue] an unqualified audit opinion.
Matters on which we are required to report by exception	We are required to report on whether: ▪ Adequate accounting records have been kept; ▪ Financial statements and the audited part of the remuneration report are not in agreement with the accounting records; and ▪ We have not received the information or explanations we require.	[We have no matters to report.]

Our response to significant and fraud audit risks

1. Risk of fraud in expenditure recognition (Key audit matter)

What is the risk?

As we outlined in our Annual Planning Report, ISA (UK) 240 requires us to assume that fraud risk from income recognition is a significant risk. In the public sector, we extend our consideration to the risk of material misstatement by manipulation of expenditure.

Impacted balances within the financial statements:

- Cost of services: £2,150 million; and
- Cost of services prior year comparator: £2,002 million.

Refer to accounting policies B, C and F (pages 39-41) and notes 4, 5 and 9 of the Financial Statements.

As there is no material judgement associated with the recognition of the IJB's funding from Glasgow City Council and NHS Greater Glasgow and Clyde, we have determined that the risk of revenue recognition does not materialise. We therefore consider this risk to be most prevalent in expenditure balances.

What judgements are we focused on?

We focused on the risk in relation to the existence and occurrence of expenditure incurred by the IJB in commissioning services from the partners. There may be judgement in the timing of the recognition of expenditure, including any differences to the Direction issued by the IJB.

What did we do?

We undertook specific, additional procedures for income and expenditure streams where we identified a fraud risk. For 2025/26 our work included:

- Challenging management on how the IJB gains assurance over the expenditure it incurs and the basis of payments it makes to its partner bodies to deliver commissioned services.
- Reviewing the financial information that management present to the IJB that clarifies the source of information provided by each of the IJB partners. Reports to the IJB at the year-end also made clear that the year-end outturn represented the approval by the IJB of the final expenditure incurred in commissioning services from Glasgow City Council and NHS Greater Glasgow and Clyde.
- As part of the year-end process, we obtained written confirmation statements from the Director of Finance at NHS Greater Glasgow and Clyde and the Section 95 Officer at Glasgow City Council of the spend by the respective bodies on delivering services, and therefore their request for payment from the IJB to cover those costs. We obtained a copy of those confirmations and agreed figures within the financial statements to source documentation.
- We obtained independent confirmation from the appointed auditor at both the Council and NHS Greater Glasgow and Clyde of the income and expenditure transactions recorded at their respective audited bodies. The confirmations agreed the income and expenditure amounts transacted in the year.

2. Risk of management override (Key audit matter)

Our Annual Planning Report recognises that under ISA (UK) 240, management is considered to be in a unique position to perpetrate fraud in financial reporting because of its ability to manipulate accounting records directly or indirectly by overriding controls that otherwise appear to be operating effectively. We respond to this risk on every engagement, including the following procedures:

- **Risk of fraud:** We considered the risk of fraud, including through our enquiries with management about their assessment of the risks of fraud and the controls to address those risks. We also developed our understanding of the oversight of those charged with governance over management's processes over fraud by receiving written confirmations from the Chair of the Finance, Audit and Scrutiny Committee.
- **Testing on journal entries:** We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We obtained all journals posted by management to record the transactions of the IJB, which are hosted on the Glasgow City Council financial ledger. All of the journals for the IJB's transactions were reviewed in the course of our work.
- **Judgements and estimates:** Management's principal judgement concerned the allocation and recognition of expenditure for hosted services, where one IJB delivers a service on behalf of other participating IJBs. The judgement determines the share of those costs included in Glasgow City IJB's financial statements. We reviewed supporting documentation on the basis for the assessment of consumption of hosted services, agreed hosting arrangements for each service back to the Integration Scheme and reperformed calculations as appropriate. As a result of this work, we have not identified any audit adjustments. We confirmed the process for ensuring that there were no claims applicable to the IJB that required provision to be made in relation to the Clinical Negligence & Other Risks Indemnity Scheme ("CNORIS").
- **Accounting policies:** We considered the consistency and application of accounting policies, and the overall presentation of financial information. We consider the accounting policies adopted by the IJB to be appropriate and there were no significant accounting practices which materially depart from the Code.

Our conclusions:

- Our testing has not identified any material misstatements relating to revenue and expenditure recognition.
- We have not identified any material weaknesses in the design and implementation of controls around journal processing. We did not identify any instances of evidence of management override of controls.
- There was no disagreement during the course of the audit over any accounting treatment or disclosure, and we encountered no significant difficulties in the audit.

Going Concern

International Auditing Standard (ISA) 570 Going Concern, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report.

Under ISA (UK) 570, we are required to undertake challenge of management's assessment of going concern, including testing of the adequacy of the supporting evidence we obtained. In light of the unprecedented nature of the scale of financial challenges facing IJBs, including inflationary and demand pressures, we place increased focus on management's assertion regarding the going concern basis of preparation in the financial statements, and particularly the need to report on the impact of financial pressures on the IJB and its financial sustainability.

Management's going concern assessment and associated disclosures cover the period following approval of the financial statements, to 31 March 2028.

After completing its going concern assessment in line with the information and support provided through earlier discussions in the audit process, the IJB has concluded that there are no material uncertainties around its going concern status. We have outlined our consideration of the IJB's financial position going forward in the financial sustainability section of this report.

We considered this in conjunction with management's assessment on going concern, focusing on:

- The completeness of factors considered in management's going concern assessment; and
- The completeness of disclosures in the financial statements in relation to going concern, in particular future financial pressures and how savings challenges in the short and medium term will be addressed. The financial statements explain the arrangements that would apply if the IJB were unable to meet its financial obligations from available resources, including the respective responsibilities of Glasgow City Council and NHS Greater Glasgow and Clyde (refer to Note 1 (A) to the financial statements)

All information provided by management to support its assessment, including key reports to the IJB and financial plans, were verified to supporting records.

Our conclusions:

- We concur with management's assessment that there are no material uncertainties in relation to the going concern of the IJB. We were also satisfied that the financial statement disclosures appropriately describe the significant financial pressures facing the IJB. Our assessment of the medium-term financial position is reported separately under Financial Sustainability.

Wider Scope and Best Value audit

Introduction

In June 2021, Audit Scotland and the Accounts Commission published the current Code of Audit Practice. This establishes the expectations for public sector auditors in Scotland for the term of the current appointment.

Risk assessment and approach

The Code sets out the four dimensions that comprise the wider scope audit for the public sector in Scotland:

- Financial Management;
- Financial Sustainability;
- Vision, Leadership and Governance; and
- The Use of Resources to improve outcomes.

We apply our professional judgement to assess risk and focus our work on each of the wider scope areas. In doing so, we draw upon conclusions expressed by other bodies including the IJB's internal auditors and the Care Inspectorate, along with national reports and guidance from regulators and Audit Scotland. The findings from our wider scope work have informed our assessment on Best Value themes in 2025/26.

For each of the dimensions, we have applied a RAG rating, which represents our assessment on the adequacy of the IJB's arrangements throughout the year, as well as the overall pace of improvement and future risk associated with each dimension.

Exhibit 4: Our RAG ratings

Red	Our auditor judgements are RAG rated based on our assessment of the adequacy of the IJB's arrangements throughout the year, as well as the overall pace of improvement and future risk associated with each area.
Amber	
Green	This takes account of both external risks not within the IJB's control and internal risks which can be managed by the IJB, as well as control and process observations made through our audit work.

Financial Management

Financial management means having sound budgetary processes. Audited bodies require the ability to understand the financial environment and whether internal controls are operating effectively. Our focus is therefore on in-year monitoring and reporting arrangements, including the achievement of planned savings, and the IJB's financial outturn for 2025/26.

The 2025/26 budget continued to strengthen reserves in preparation for significant future cost pressures

In 2024/25, the IJB identified significant forthcoming cost pressures, including the anticipated increase in employer pension contribution rates for the Strathclyde Pension Fund. To strengthen financial resilience, the IJB implemented a "budget-smoothing" strategy across 2024/25 and 2025/26, generating planned underspends to rebuild General Reserves. This included a planned underspend of £8.25 million in 2025/26. The IJB agreed that this would be taken to General Reserves if a break-even position or underspend was secured in operational service delivery.

Area of good practice:

The IJB has adopted a forward-looking budget smoothing approach to manage known future cost increases, enabling resources to be set aside over several years and reducing the risk of disruptive service reductions when the full financial impact materialises.

To deliver this, the 2025/26 budget identified a substantial funding gap of £42.5 million that was required to be met, as a result of:

- £13 million in pressures in 2024/25 that had been address using non-recurring measures;
- cost pressures including prescribing growth in price and volumes (£16.6 million) and contractual inflationary uplifts (£3.7 million); and
- The migration to Universal Credit for kinship carers resulted in £1.8 million in additional costs for the IJB to maintain parity with foster care payments.

To address the funding gap of £42.5 million, the IJB approved a package of savings and service redesign measures totalling £37.3 million, including prescribing efficiencies, reductions in commissioned and mental health services, changes to social care support arrangements, service closures, workforce reductions and reviews of a range of support and health improvement services. The remaining gap had been addressed via savings that were approved in 2024/25 totalling £5.2 million.

The IJB's financial outturn records an underspend of £0.6 million

The IJB achieved a small operational underspend of £0.6 million in 2025/26 despite the impact of significant demand, workforce and inflationary pressures. During the financial year, the IJB reported gross operational pressures of £22.7 million, including:

- mental health staffing pressures (£9.4 million);
- Increased demand for direct assistance payments (£4.2 million); and
- Increased homelessness pressures (£3.6 million).

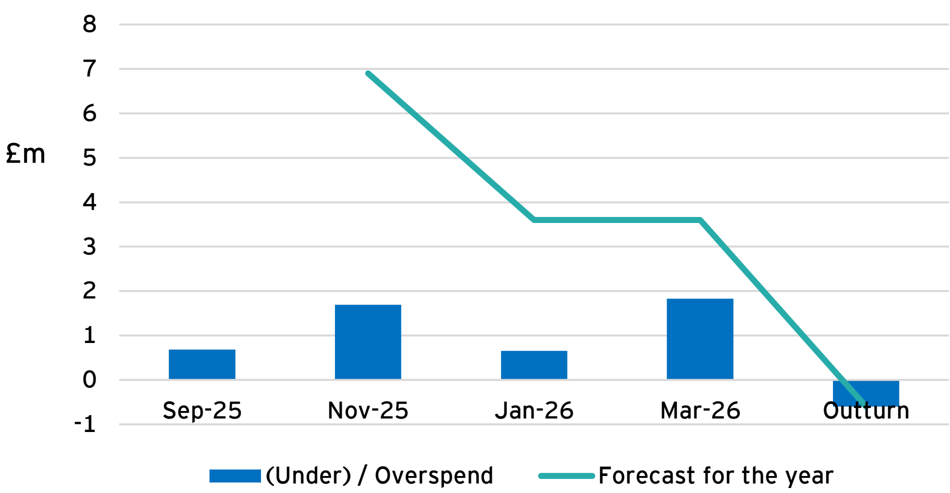
These pressures were largely offset by underspends arising from staffing vacancies and turnover (£7.9 million), additional income recoveries (£7.3 million) and lower than anticipated prescribing costs (£7.4 million). As a result, the balance transferred to General Reserves at 31 July 2026 totalled £8.8 million, exceeding the planned budget strategy.

The IJB forecast a significant overspend throughout 2025/26, due to ongoing demand and cost pressures

The IJB has an established process for reporting progress against budget at each IJB meeting. The reports included actual outturn to date, along with the forecast outturn for the financial year, and therefore the impact on the IJB's reserve balances. As Exhibit 5 demonstrates, for most of the financial year, the IJB forecast an overall overspend. A series of targeted financial management actions implemented during the year significantly reduced the projected overspend, including spending controls and recovery planning.

Budget monitoring reports highlight specific areas of risk to provide IJB members with up-to-date commentary on emerging pressures and mitigating actions.

Exhibit 5: Budget monitoring to the IJB highlighted a projected overspend throughout the financial year



Source: Glasgow City IJB In-year Budget Monitoring Reports 2025/26

The IJB delivered estimated savings of £36 million (92% of target) in 2025/26

The Service Prioritisation programme, subsequently developed into the STEP Forward programme, forms the IJB's longer-term strategy for delivering transformational change and addressing the medium-term funding gap from 2026/27 onwards. The Integration Transformation Board oversee the progress and delivery of savings, including transformation programmes relating to the Learning Disability Workforce Integration, Day Care Service Review, Admin Review and the Mental Health Strategy.

We noted in 2024/25 that the Chief Social Work Officer had highlighted that the level of savings required leaves the Council at risk of being unable to fulfil its statutory responsibilities. The success of transformation initiatives will therefore be important both in supporting the IJB's future financial sustainability and delivery of service outcomes.

The IJB concluded that its internal control arrangements remain effective

Throughout our audit of the financial statements, we consider the design and implementation of key controls related to areas of significant risk to the financial statements. This includes documenting the key internal financial controls and performing walkthroughs to ensure controls are implemented as designed. We undertook an assessment of the financial control environment as part of our planning work and updated our understanding as part of the year-end audit.

For the IJB, this required us to assess the systems across the partner organisations, Glasgow City Council and NHS Greater Glasgow and Clyde. Our work did not identify any significant weaknesses in the systems of internal control relevant to the preparation of the IJB's financial statements.

The IJB's Chief Internal Auditor highlighted that the findings on the ICT service and security identified in prior years have not been fully resolved. The Council's Social Work Services therefore remained exposed to this risk area throughout 2025/26. Improvements are being progressed by the Council through an agreed action plan and a Multi-Source Strategy is in place to mitigate the risks as much as possible. During 2025/26, the Council was also subject to a cyber breach. We received confirmations from management that there was no data loss and no impact on financial systems impacting the IJB. During the audit process, we also became aware of a historic case of asset misappropriation at the HSCP. We understand that the IJB has conducted its own review of internal controls to ensure that future losses are avoided.

Our conclusions: Green

- The IJB has appropriate and robust arrangements for in-year financial management, supporting a Green assessment. The IJB's financial outturn for 2025/26 records an overall underspend of £0.6 million in operational service delivery. This outcome reflected effective in-year financial management, including active monitoring of service pressures, vacancy management, additional income recovery and delivery of prescribing efficiencies.
- The delivery of significant savings supported an increase in General Reserves of £8.8 million. This supports the IJB's ability to respond to future financial risks.
- The IJB's internal control arrangements remained effective throughout 2025/26 with no significant control weaknesses identified through our audit procedures.

Financial Sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Our focus is therefore on the strategic planning that the IJB has undertaken to support its sustainability and ability to deliver balanced budgets in the medium term.

The Accounts Commission's most recent Financial Bulletin highlighted the critical financial challenges in the sector

In February 2026, the Accounts Commission reported that despite a real-terms increase in funding of 2.3% between 2023/24 and 2024/25, Scotland's IJBs remain in a critical financial position. Total reserves held by IJBs reduced by 12% during 2024/25 leaving total IJB reserves of £404 million, lower than the forecast sector-wide funding gap of £449 million at the point of setting 2025/26 budgets. Thirteen IJBs held no contingency reserves at 31 March 2025, a rise from nine in the previous year.

While 78% of planned savings were achieved by IJBs in 2024/25, the Accounts Commission noted continuing concerns around reliance on non-recurring savings, reserves and additional partner contributions to support balanced budgets. The report emphasised that NHS Boards and Councils face significant financial challenges themselves and will struggle to support IJBs with further funding to address funding gaps. The Commission recommended that IJBs strengthen medium and longer-term financial planning and clearly demonstrate how services will remain financially sustainable within their Strategic Plans through prevention investment.

The IJB's planning continues to identify significant medium-term financial challenges

The latest iteration of the Medium-Term Financial Outlook (MTFO) was presented to the IJB in March 2026 and covers the period 2026-29. The MTFO identifies a significant and ongoing financial sustainability challenge, with a projected cumulative funding gap of £103.3 million by 2028/29.

Funding settlements are not expected to keep pace with forecast demand growth, inflationary pressures and legislative requirements across health and social care services. The funding gap is projected at £33.8 million in 2026/27, increasing to a cumulative £74.2 million in 2027/28 and £103.3 million in 2028/29.

The MTFO estimates that the IJB will face approximately £207 million of cost and demand pressures over the three-year period, arising from:

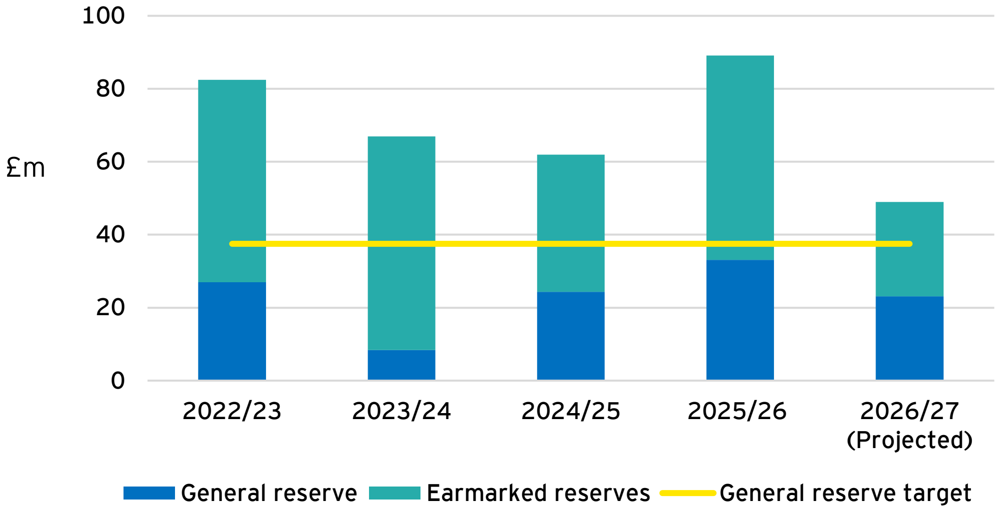
- Pay inflation and workforce costs;
- Non-pay inflation and contractual commitments;
- Demographic growth, deprivation and increasing complexity of care needs;
- Legislative and policy changes; and
- Pension cost pressures.

The MTFO recognises a number of significant risks and uncertainties that could adversely affect the financial position. The most critical factor remains the continued growth in homelessness and demand associated with individuals granted Leave to Remain. The IJB continues to assume within the MTFO that the cost associated with Leave to Remain demand will be met by Glasgow City Council. In August 2026, the Council's City Administration Committee (CAC) received a report which reiterates that the Council has committed to funding homelessness-related overspends within the HSCP, which the report estimates will be £56 million in 2026/27, rising to £75 million in 2027/28 and £93 million in 2028/29 if current trends continue. Importantly, the Scottish Government has committed to providing a meaningful contribution towards these pressures, although the scale of support is not yet known. Should the Council be unable to continue to commit to the meeting of these costs in future years, the IJB may be required to meet any resulting financial gap directly, creating further funding pressures. Other significant risks highlighted within the MTFO include:

- Volatility in prescribing costs;
- Potential unfunded legislative or policy changes;
- Inflationary pressures exceeding assumptions;
- Dependence on partner body funding decisions; and
- Delivery of planned savings programmes.

Exhibit 6 highlights that the IJB's unearmarked General Reserves are forecast to reduce from £33.1 million at 31 March 2026 to £23.1 million at 31 March 2027 following planned utilisation to support the budget strategy. The MTFO notes that this would leave reserves at approximately 1.1% of expenditure, below the IJB's target level of 2%, and identifies this as a significant financial resilience risk. We note within Appendix E that the maintenance of General Reserves must be prioritised within the wider financial strategy.

Exhibit 6: Overall reserves are projected to fall from £89.1 million to £49 million by 31 March 2027



Source: Glasgow City IJB Medium Term Financial Outlook

The IJB has continued to progress both savings and transformation initiatives but implementation remains at risk

The STEP Forward programme is the IJB’s principal mechanism for delivering the transformational change and savings required to address its medium-term funding gap. Developed in response to the need for a more strategic approach to savings, the programme is expected to identify £104 million of savings over three years, including £20 million in 2026/27. The programme applies a structured, evidence-based methodology based on the HM Treasury Green Book to assess services against strategic priorities, affordability, deliverability, risk and outcomes, with stakeholder engagement and impact assessments informing decision-making. The programme has progressed into active service review, with 26 reviews to date covering approximately £300 million of expenditure.

While individual outcomes remain subject to approval, the programme provides a structured framework for aligning resources with strategic priorities and available funding. Given its expected contribution to future savings, successful implementation will be critical to achieving the IJB’s long-term financial sustainability. Internal Audit has provided reasonable assurance over the governance arrangements supporting the programme, with further assurance work planned as implementation progresses.

The programme remains subject to a range of implementation and stakeholder engagement risks, including the need to complete consultation and governance processes before savings proposals can be implemented. Given the programme's central role in addressing the IJB's medium-term funding gap, any delay to implementation could increase the financial sustainability risks facing the IJB.

Our conclusions: Red

- The scale of the financial challenge facing the IJB, together with the level of savings and transformation required to achieve financial balance over the medium term, results in a Red assessment. The Medium-Term Financial Outlook identifies a cumulative funding gap of £103.3 million by 2028/29, reflecting substantial cost and demand pressures that are expected to exceed available funding.
- The planned use of reserves to support the 2026/27 budget is forecast to reduce unearmarked General Reserves to around 1.1% of expenditure, below the IJB’s 2% target and further weakening its capacity to respond to future financial pressures and is therefore reflected within our recommendation in Appendix E. Significant uncertainty also remains around homelessness and demand associated with individuals granted Leave to Remain.
- The STEP Forward programme provides a structured approach to service transformation and is intended to deliver a substantial proportion of the savings required. However, the programme remains subject to implementation and stakeholder risk before savings can be implemented.

Vision, Leadership and Governance

This section considers the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

The IJB's governance arrangements meet core expectations established in good practice guidance

The key aspects of the IJB's governance arrangements are required to be disclosed in the Annual Governance Statement within the financial statements. The IJB concluded that it had obtained assurance that the system of internal control was operating effectively during the year.

We reviewed the Governance Statement against the requirements outlined in the CIPFA framework for Delivering Good Governance in Local Government, including the related addendum issued in May 2025 which applies to Governance Statements from 2025/26 onwards, and against our understanding of the IJB's arrangements in the period to 31 March 2026. We were satisfied that the Governance Statement was consistent with the governance framework, key findings from relevant audit activity and management's assessment of its own compliance with the CIPFA framework.

The Governance Statement identifies several significant governance issues and resulting actions for 2026/27, including:

- The IJB continues to manage significant information governance risks arising from delays in responding to Subject Access Requests. An improvement plan is in place following intervention by the Information Commissioner's Office, but the backlog is not expected to be fully resolved until 2027;
- The "Family C" Child Protection Learning Review identified learning and improvement requirements across partner agencies, including the HSCP. Effective implementation of the resulting improvement plan will be important to strengthen assurance over public protection arrangements.
- The cyber incident affecting Glasgow City Council during 2025 highlighted ongoing ICT and cyber security risks. While remediation activity is underway and Internal Audit has reported improvement, some actions remain outstanding and residual risk remains;

The IJB has also identified areas of future activity, focused on updating the IJB's governance framework to reflect updated statutory and operational requirements. Key priorities include completion of the review of Standing Orders, which has been delayed pending finalisation of the Integration Scheme review and upcoming changes to IJB voting rights. In addition, the IJB identified the need for ongoing evaluation of the governance arrangements established for the STEP Forward transformation programme.

Work is underway to develop the IJB’s updated Strategic Plan for the period beyond 2028

The IJB's Strategic Plan remains the principal framework for delivering its vision and priorities. Originally approved for the period 2023-2026, the Plan was extended by the IJB in May 2025 and now covers the period to 2028. The Plan sets out a vision of empowering communities to support people to flourish and live healthier, more fulfilled lives by ensuring access to the right support, in the right place and at the right time. It is underpinned by six Partnership Priorities covering prevention and wellbeing, self-determination, community-based support, harm reduction, workforce development and building a sustainable future.

Robust performance monitoring and reporting arrangements are in place, with the April 2026 monitoring report indicating that 94 per cent of activities were either complete or on track. The principal challenge is ensuring delivery of the Plan within available resources, with the STEP Forward programme identified as the key vehicle for aligning future service provision with the IJB's financial sustainability requirements

The Finance, Audit and Scrutiny Committee considered its own effectiveness during the year

During 2025, the Finance, Audit and Scrutiny Committee completed its first annual effectiveness assessment, informed by member feedback and a review of committee activity during 2024/25 against CIPFA guidance on good practice. The assessment concluded that the Committee operated effectively and fulfilled its oversight responsibilities, with evidence of strong scrutiny, effective leadership and positive relationships between members and officers.

Opportunities for improvement were identified in demonstrating the impact of the Committee's work on IJB decision-making, streamlining performance reporting and further developing members' skills through targeted training. We attended each meeting of the Finance, Audit and Scrutiny Committee throughout the year and we were satisfied that there was an appropriate level of challenge and scrutiny at meetings, and that management’s assessment of compliance is consistent with matters arising at the committee. The Committee has considered a wide range of reports throughout the 2025/26 period including standing items relating to internal and external audit reviews, key publications from Audit Scotland and other scrutiny and regulatory bodies. This included consideration of findings arising from planned and unplanned inspections undertaken by the Care Inspectorate and the Mental Welfare Commission. The Committee reports on the outcomes and discussions to each meeting of the IJB.

The IJB continued to strengthen its governance, risk management and scrutiny arrangements during 2025/26. Key developments included a comprehensive review of risk management arrangements and progress in updating Standing Orders and governance frameworks. The introduction of Performance Oversight Boards and enhanced performance monitoring arrangements also strengthened accountability, challenge and escalation across operational services. Collectively, these actions demonstrate a commitment to continuous improvement and effective governance.

The Chief Internal Auditor identified no unsatisfactory or limited assurance opinions in IJB reviews during 2025/26

The Chief Internal Auditor's Annual Report was presented to the Finance, Audit and Scrutiny Committee in June 2026. The Chief Internal Auditor's annual opinion concluded that reasonable assurance could be placed on the effectiveness of the IJB's governance, risk management and internal control arrangements during 2025/26.

Assurance work undertaken during the year included reviews of governance arrangements, STEP Forward and high-cost care packages, with no unsatisfactory audit opinions reported. Internal audit highlighted continued exposure to ICT security and cyber risks arising from services provided through the wider Glasgow City Council Group and identified the Glasgow City Council cyber incident as a significant governance issue relevant to the IJB. Although progress has been made in implementing previous recommendations, remediation activity remains ongoing.

The approval of the Integration Scheme was further delayed as a result of changes identified through wider engagement

Under the Public Bodies (Joint Working) (Scotland) Act 2014, councils and health boards are required to review their Integration Scheme every five years. The IJB is responsible for proposing any amendments to the Scheme, which must then be approved by the partner bodies and subsequently by Scottish Ministers.

Glasgow City IJB's Integration Scheme was last updated in February 2018 and, as is consistent with the position across Scotland, remains overdue for review. A comprehensive review was undertaken through a pan-Greater Glasgow and Clyde HSCP working group, resulting in a revised draft Scheme. Following a period of consultation between November 2023 and January 2024, Glasgow City Council's Leadership Board approved a consultation draft in February 2024, with subsequent revisions incorporating feedback received during the consultation process.

As reported in 2024/25, the review of the Integration Scheme remains an outstanding action within the Annual Governance Statement. Progress has been delayed pending the resolution of wider pan-Greater Glasgow and Clyde issues affecting all HSCPs. Further amendments may now be required to reflect the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Amendment Order 2025, including changes to voting arrangements.

Once these matters are resolved, the revised Integration Scheme will be reconsidered through the governance processes of both partner bodies. The changes proposed include:

- updating sections that contain completed actions, outdated terminology or references to former governance structures;
- reflecting legislative developments since 2018, including the Carers (Scotland) Act 2016 and General Data Protection Regulations (GDPR); and
- revising arrangements for services hosted by one IJB on behalf of one or more of the six Greater Glasgow and Clyde IJBs.

Voting rights at IJB meetings will be extended to lived experience representatives from September 2026

The Scottish Government published The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Amendment Order 2025 on 5 January 2026. The Order introduces changes to the governance of IJBs by formally extending voting rights to service user, unpaid carer and third sector representatives—groups collectively referred to as "lived experience" members.

This change addresses concerns about a two-tier system within IJBs, where these representatives could contribute to discussions but were excluded from final decision-making, limiting their influence despite their insight into local health and social care needs.

The Scottish Government introduced the amendment in response to recommendations from the Independent Review of Adult Social Care, which emphasised the importance of amplifying the voices of people with direct experience of accessing care and support. As a result, the updated legislation aims to strengthen parity within IJB membership, improve the transparency and inclusiveness of decisions, and ensure that planning and commissioning activities better reflect the realities, priorities and challenges experienced by communities.

The Order will come into force on 1 September 2026, at which point all IJBs will be required to implement the revised voting arrangements as reported by the Chief Officer to the IJB in January 2026. An accompanying Equality Impact Assessment identified no negative impacts, highlighting instead the potential for improved outcomes for groups including older adults, disabled people, children and families. However, extended voting rights could make it more challenging to reach agreement on significant savings decisions to bridge the recurring funding gap as a result of the governance complexities that may arise where stakeholder interests diverge during periods of significant financial and service transformation pressure.

Our conclusions: Green

- Overall, governance and scrutiny arrangements operated effectively throughout 2025/26, supporting a Green assessment. We were satisfied that the Annual Governance Statement was consistent with CIPFA requirements and the IJB's governance arrangements. While the IJB concluded that its system of internal control operated effectively during 2025/26, it identified a number of ongoing governance priorities relating to information governance, public protection, cyber resilience, risk management and governance modernisation. Planned actions for 2026/27 include completing the review of Standing Orders, strengthening risk management arrangements and evaluating governance arrangements supporting the STEP Forward transformation programme.
- Completion of the Integration Scheme review remains dependent on the resolution of pan-Greater Glasgow and Clyde issues, particularly around hosted service arrangements and associated accountability mechanisms.

Use of Resources

We consider the IJB's approach to demonstrating economy, efficiency, and effectiveness through the use of resources and reporting outcomes.

The IJB continues to report regularly on performance, including the publication of the Annual Performance Report in July each year.

The IJB has established a comprehensive performance management framework to support both operational oversight within the HSCP and formal scrutiny by the Finance, Audit and Scrutiny Committee (FASC) and the IJB. The framework includes a suite of Key Performance Indicators aligned to the Strategic Plan and national health and social care outcomes, enabling the IJB to monitor progress, identify areas of underperformance and compare performance nationally. The 2025/26 Annual Performance Report provides a comprehensive assessment of performance against the IJB's six strategic priorities and the National Health and Wellbeing Outcomes. Performance is assessed using a combination of KPI achievement, direction of travel and improvement activity. Exhibit 7 highlights that overall performance was positive, with 73% assessed as on target while maintaining transparency around areas requiring improvement.

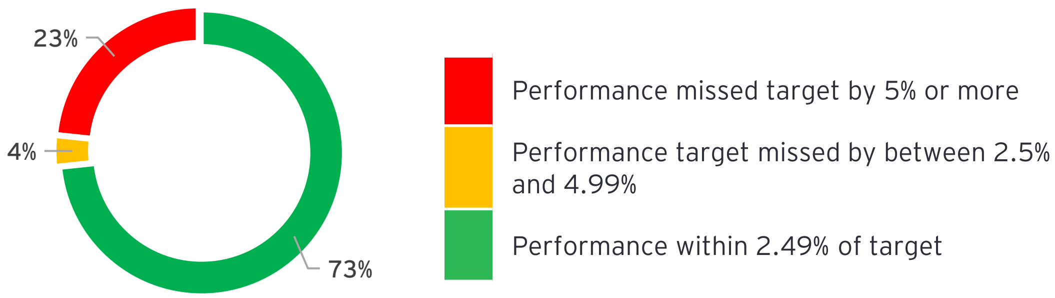
The report highlights improvement across a number of key performance measures during 2025/26, including:

- Alcohol and drug treatment waiting times, increasing from 88% to 92% of service users commencing treatment within three weeks of referral.
- Alcohol Brief Interventions, increasing from 10,376 to 10,929.
- Future Care Plan summaries, increasing from 605 to 903.
- Out-of-authority placements, reducing from 24 to 21 children and young people.
- Telecare referrals, increasing from 3,313 to 3,441, suggesting greater use of preventative support.

Area of good practice:

Glasgow City HSCP completed the transition of its Community Alarms and Telecare Service from analogue to digital technology by March 2026, making it one of the first areas in Scotland to meet the 2027 national deadline. The new system improves reliability and response times, supports future integration with smart technologies and has been recognised through a Gold Level 2 Award from the Digital Office for Scottish Local Government.

Exhibit 7: The IJB has assessed that it achieved 73% of planned objectives in 2025/26



Source: Glasgow City IJB Annual Performance Report July 2026

The Annual Performance Report also highlights progress across a number of strategic priorities during 2025/26, including implementation of the High Intensity Test and Treat programme within prisons, completion of the analogue-to-digital telecare transition, establishment of 30 short-term Advanced Care beds, introduction of the Adult Interagency Referral Discussion pilot, publication of a new Workforce Plan and continued workforce development through the Strategic Partnership with the University of Strathclyde.

However, a number of performance challenges remain, including:

- declining MMR vaccination uptake at 24 months, reducing from 90.7% to 89.6%;
- reduced smoking quit outcomes in deprived communities reducing from 792 to 710;
- deteriorating psychological therapies waiting time performance in the North East and North West localities (from 85.7% to 75.9% in the North East locality and from 91.4% to 74.6% in the North West locality);
- mental health delays, increasing from 39 to 68 delays, against a target of 20; and
- sickness absence levels that continue to exceed targets across both NHS and Social Work services. NHS sickness absence remained at 8.11%, and Social Work sickness absence was 9.6%, both significantly above target.

Delayed discharge remains a key performance area for the IJB. Performance monitoring reports indicate ongoing pressure in bed day and mental health delays, which are rated Red, although targeted improvement activity contributed to reductions in acute delays during the year. Audit Scotland continue to highlight that delayed discharge remains one of the most significant pressures facing Scotland's health and social care system. The IJB continues to address these challenges through targeted improvement activity, increased social work and legal capacity, and ongoing performance monitoring and scrutiny through its governance arrangements.

The Finance, Audit and Scrutiny Committee continues to play a key role in monitoring performance

Quarterly performance reports continued to provide the primary mechanism for monitoring service delivery and outcomes during 2025/26, with performance information regularly scrutinised by FASC and supported by reporting on actions being taken to address areas of concern. Performance reporting was complemented by detailed presentations from individual service areas, providing members with further insight into service performance, risks and improvement activity.

During the year, the IJB further strengthened its oversight arrangements through the introduction of Performance Oversight Boards. These were established to provide enhanced scrutiny of persistent performance challenges and support a more structured approach to accountability, challenge and escalation across operational services. The arrangements are intended to improve the IJB's ability to respond to areas of underperformance and support continuous improvement.

The Accounts Commission highlighted that IJBs have reached a critical point around redesigning, reducing or discontinuing services

Audit Scotland's Finance Bulletin 2024/25 on Integration Joint Boards highlighted that IJBs across Scotland remain in a critical financial position as increasing demand and cost pressures continue to outstrip increased funding and savings. Financial pressures have reached a critical point where decisions are required regarding service redesign, reduction or discontinuation due to declining reserve levels and the widening budget gap. The Accounts Commission emphasised the need for IJBs to work collaboratively with each other and with their NHS and Council partners to establish realistic budgets, strengthen financial sustainability over the medium to long term and invest in prevention.

The Commission has highlighted in previous reporting that a whole system approach is needed to meet the scale of the challenges facing IJBs, noting uncertainty in the direction of plans for a National Care Service contributed to the difficult context for planning and delivering effective services. This is reflected within the extended Strategic Plan priorities, which remain aligned with the Scottish Government's direction of travel for health and social care reform, including prevention, early intervention, community-based care and service sustainability. During 2025/26, the IJB progressed a number of initiatives that support these objectives, including digital telecare transformation, Hospital at Home services, enhanced performance oversight arrangements and the STEP Forward transformation programme. While digital transformation is not articulated as a standalone priority within the current Strategic Plan, the IJB has demonstrated increasing use of technology-enabled care and digital solutions to support service delivery and independence.

The IJB was subject to several inspections by the Care Inspectorate and Mental Welfare Commission in 2025/26 with minor improvement actions identified

External scrutiny activity during 2025/26 provided generally positive assurance over the quality of services. The Care Inspectorate undertook 26 inspections of Glasgow City HSCP services during 2025/26. Inspection results were generally positive, with older people's residential care services and community support services receiving predominantly "Very Good" (grade 5) evaluations and no requirements for improvement identified. Children's residential services also performed strongly, with eight inspections resulting in grades ranging from "Good" (grade 4) to "Excellent" (grade 6), and no requirements identified.

In addition, five children's residential services successfully completed the Care Inspectorate's new Promise Assurance inspection process, providing assurance that they continued to deliver a high standard of care and uphold children's rights. However, inspections of the fostering and adult placement services identified areas requiring improvement, resulting in four requirements being issued for each service. Overall, Glasgow's performance remained above the national average, with 89.6% of services graded good or better compared to 81.9% nationally. The joint Child Protection Inspection assessed arrangements as "Good", identifying strengths in child protection arrangements while highlighting areas requiring further improvement that are being progressed through a multi-agency improvement plan.

The Mental Welfare Commission also undertook 17 visits to mental health inpatient services during the year. The visits comprised 11 announced and 6 unannounced visits to mental health hospital wards. Recommendations and examples of good practice reported through Finance, Audit and Scrutiny Committee. There were no significant recurring concerns or adverse findings.

Healthcare Improvement Scotland's inspection of Prison Healthcare Services at HMP Barlinnie also demonstrated improvement. The service achieved an overall "Generally Acceptable" rating compared with a previous "Poor" assessment, with inspectors highlighting improvements in the healthcare environment, patient experience, mental health services and addiction services. While 19 recommendations were made, Healthcare Improvement Scotland subsequently confirmed that it was satisfied with the action plan and progress achieved.

The IJB continues to highlight significant and ongoing financial risks within its risk registers

The Finance, Audit and Scrutiny Committee continued to oversee strategic and operational risk management during 2025/26 through quarterly review of the Corporate Risk Register and associated mitigating actions. At 31 March 2026, the IJB maintained 10 live strategic risks comprising two Very High, four High and four Medium-rated risks. During the year, one risk was closed, a new risk relating to high staff absence levels was added, no risk ratings increased and one prescribing-related risk reduced from High to Medium.

The IJB's highest-rated risks reflect the significant financial, service delivery and demographic pressures facing the health and social care system. Key risks relate to homelessness and demand from people with Leave to Remain, compliance with statutory homelessness duties, financial sustainability, workforce capacity, delivery of the Primary Care Improvement Plan, prescribing expenditure, operation of the Safer Drug Consumption Facility, business continuity and statutory Category 1 responder responsibilities. The Committee has maintained oversight of mitigation measures, including enhanced performance monitoring arrangements, homelessness demand management initiatives, medium-term financial planning and governance arrangements supporting the STEP Forward transformation programme.

Our conclusions: Green

- The IJB has robust arrangements in place to monitor performance and demonstrated positive progress against its strategic priorities during 2025/26, supporting a Green assessment.
- The IJB continues to use its resources to support strategic priorities and service transformation, maintaining financial balance while investing in preventative, community-based and technology-enabled models of care. Performance improvements in areas such as telecare, reablement and acute delayed discharges demonstrate progress towards these objectives. However, significant financial, workforce and service demand pressures persist, reinforcing the importance of the STEP Forward programme and continued transformation activity to support long-term sustainability.
- External scrutiny activity during the year provided further assurance, with Care Inspectorate, Mental Welfare Commission and Healthcare Improvement Scotland reviews identifying strong practice across a range of services and limited improvement requirements.

Best Value considerations

As auditor to the IJB, we are required to comment on how effectively, in our view, the IJB demonstrates that it meets its Best Value responsibilities.

As we noted in our Annual Planning Report, the conclusions that we reach on the wider scope areas contribute to this consideration. Our assessment in 2025/26 therefore reflects the work conducted to support our wider scope responsibilities, developed throughout our appointment. Our consideration includes:

- Documentation review and discussions with senior officers;
- Updating our understanding of key sector developments and reporting;
- Our consideration of the IJB’s financial planning processes including the most recent Medium Term Financial Plan 2026-2029 (approved in March 2026);
- Governance arrangements, including monitoring and scrutiny reports and the IJB’s review of its own effectiveness;
- Our assessment of financial monitoring reports and performance reporting to the IJB; and
- The IJB’s reporting against its priorities within the Annual Performance Report 2025/26.

The IJB can demonstrate that it has the key elements needed to deliver Best Value in place

The IJB continues to demonstrate the key governance, performance management and financial management arrangements required to support Best Value. During 2025/26, the IJB maintained effective governance and scrutiny arrangements, delivered a balanced operational outturn, strengthened General Reserves and reported positive progress against the majority of its strategic objectives. The IJB also continued to invest in preventative, community-based and technology-enabled models of care while progressing significant transformation activity.

However, the IJB's ability to demonstrate Best Value over the medium term remains constrained by its financial position. Despite progress in rebuilding reserves during 2025/26, the Medium-Term Financial Outlook identifies substantial recurring funding gaps and continued reliance on reserves to support future budgets. The STEP Forward programme represents a structured approach to service prioritisation, financial sustainability and Best Value, aligning resource allocation with strategic priorities, affordability and expected outcomes. Successful delivery of the programme and associated transformation activity will therefore be critical to aligning service provision with available resources while maintaining outcomes for service users but implementation risks will remain until the savings are secured.

Overall, we conclude that the IJB continues to have the essential arrangements in place to support Best Value. Nevertheless, the scale of the financial challenge means that maintaining Best Value will increasingly depend on the IJB's ability to deliver transformational change, prioritise resources effectively and demonstrate that improved outcomes can be sustained within significantly constrained financial resources.

Appendices

A Code of audit practice: Responsibilities

Audited body responsibilities

Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives. The features of proper financial stewardship include the following:

Corporate governance

Each body, through its Chief Executive or Accountable Officer, is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies should involve those charged with governance (including audit committees or equivalent) in monitoring these arrangements.

Financial statements and related reports

Audited bodies must prepare annual accounts comprising financial statements and other related reports. They have responsibility for:

- Preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;
- Maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support their accounts and related reports disclosures;
- Ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority;
- Preparing and publishing, along with their financial statements, related reports such as an annual governance statement, management commentary (or equivalent) and a remuneration report in accordance with prescribed requirements; and
- Ensuring that the management commentary (or equivalent) is fair, balanced and understandable.

It is the responsibility of management of an audited body, with the oversight of those charged with governance, to communicate relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.

Audited bodies are responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at their disposal. They are also responsible for establishing effective and appropriate internal audit and risk-management functions.

Standards of conduct for prevention and detection of fraud and error

Audited bodies are responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.

Internal audit

Public sector bodies are required to establish an internal audit function as a support to management in maintaining effective systems of control and performance. With the exception of less complex public bodies the internal audit programme of work is expected to comply with the Public Sector Internal Audit Standards.

Internal audit and external audit have differing roles and responsibilities. External auditors may seek to rely on the work of internal audit as appropriate.

A Code of audit practice: Responsibilities (continued)

Maintaining a sound financial position

Audited bodies are responsible for putting in place proper arrangements to ensure that their financial position is soundly based having regard to:

- Such financial monitoring and reporting arrangements as may be specified;
- Compliance with any statutory financial requirements and achievement of financial targets;
- Balances and reserves, including strategies about levels and their future use;
- How they plan to deal with uncertainty in the medium and longer term; and
- The impact of reporting future policies and foreseeable developments on their financial position.

Responsibilities for Best Value, community reporting and performance

Local government bodies have a duty to make arrangements to secure Best Value. Best Value is defined as continuous improvement in the performance of the body's functions. In securing best value, the local government body is required to maintain an appropriate balance among:

- The quality of its performance of its functions;
- The cost to the body of that performance; and
- The cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.

In maintaining that balance, the local government body shall have regard to:

- Efficiency;
- Effectiveness;
- Economy; and
- The need to meet the equal opportunity requirements.

The local government body shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.

In measuring the improvement of the performance of a local government body's functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.

The Scottish Government's Statutory Guidance on best value (2020) requires bodies to demonstrate that they are delivering best value in respect of seven themes:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality

The Community Empowerment (Scotland) Act 2015 is designed to help empower community bodies through the ownership or control of land and buildings, and by strengthening their voices in decisions about public services.

Specified audited bodies are required to prepare and publish performance information in accordance with Directions issued by the Accounts Commission.

A Code of audit practice: Responsibilities (continued)

Appointed auditors' responsibilities

Appointed auditors' statutory duties for local government bodies are contained within Part VII of the Local Government (Scotland) Act 1973, as amended.

These are to audit the accounts and place a certificate (i.e., an independent auditor's report) on the accounts stating that the audit has been conducted in accordance with Part VII of the Act.

Satisfy themselves, by examination of the accounts and otherwise, that:

- The accounts have been prepared in accordance with all applicable statutory requirements;
- Proper accounting practices have been observed in the preparation of the accounts;
- The body has made proper arrangements for securing best value and is complying with its community reporting duties.

Hear any objection to the financial statements lodged by an interested person.

Appointed auditors should also be familiar with the statutory reporting responsibilities in section 102 of the Local Government (Scotland) Act 1973, including those relating to the audit of the accounts of a local government body.

B Independence report and audit fees

Introduction

The FRC Ethical Standard and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in January 2024, requires that we communicate formally both at the reporting stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

During the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY charged for the provision of services during the period, analysed in appropriate categories, are disclosed.

Required communications

Planning Stage

- The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your directors and us;
- The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- The overall assessment of threats and safeguards; and
- Information about the general policies and process within EY to maintain objectivity and independence.

Final Stage

To allow you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed.
We will also report:

- Details of non-audit/additional services provided, and the fees charged in relation thereto;
- Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- Details of any/all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy.

We will also provide an opportunity to discuss auditor independence issues.

We confirm that we have undertaken client and engagement continuance procedures, including our assessment of our independence to act as your external auditor. Overall, we confirm that EY is independent and the objectivity and independence of Rob Jones, your audit engagement partner and engagement team have not been compromised.

B Independence report and audit fees (continued)

2025/26 Fees

The IJB's audit fee is determined in line with Audit Scotland's fee setting arrangements. Audit Scotland will notify auditors about the expected fees each year following submission of Audit Scotland's budget to the Scottish Commission for Public Audit, normally in December. The remuneration rate used to calculate fees is increased annually based on Audit Scotland's scale uplift.

As we outlined in our audit planning report, the expected fee for auditor remuneration, set by Audit Scotland, is based on a risk assessment of publicly available information from the 2021 tender exercise. As set out in our Audit Planning Report the agreed fee is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statements opinion being unqualified;
- Appropriate quality of documentation is provided by the IJB;
- The IJB has an effective control environment, including an effective internal audit function and an average risk profile for its sector; and
- The IJB complies with its responsibilities under the Code of Audit Practice (refer to Appendix A).

This is the basis for the estimated level of time and skill mix involvement by auditors. If any of the above assumptions prove to be unfounded, we would seek a variation to the agreed fee.

	2025/26	2024/25
Component of fee:		
▪ Auditor remuneration – expected fee	£38,940	£37,510
Audit Scotland fixed charges:		
▪ Performance audit and best value	£7,250	£7,200
▪ Audit support costs	£1,340	£940
Sectoral price cap	(£12,050)	(£11,650)
Total fee	**£35,480**	**£34,000**

Throughout the course of their work, auditors may identify new, developing or otherwise enhanced areas of risk that are required to be addressed to deliver an audit to the quality standards expected, and in line with the requirements of the Audit Scotland Code of Practice.

C

Required communications

We have detailed below the communications that we must provide to the IJB.

Required communications	What is reported?	Our reporting to you When and where
Terms of engagement	Confirmation by Finance, Audit and Scrutiny Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	Audit Scotland Terms of Appointment letter (December 2022) - audit to be undertaken in accordance with the Code of Audit Practice.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Annual Planning Report - February 2026
Reporting and audit approach	Communication of the reporting scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Annual Planning Report - February 2026
Significant findings from the audit	▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures. ▪ Significant difficulties, if any, encountered during the audit. ▪ Significant matters, if any, arising from the audit that were discussed with management. ▪ Written representations that we are seeking. ▪ Expected modifications to the audit report. ▪ Other matters if any, significant to the oversight of the financial reporting process. ▪ Findings and issues regarding the opening balance on initial audits.	This [Provisional] Annual Audit Report - September 2026.

C

Required communications (continued)

Our reporting to you

Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▪ Whether the events or conditions constitute a material uncertainty; ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and ▪ The adequacy of related disclosures in the financial statements.	This [Provisional] Annual Audit Report - September 2026.
Misstatements	▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation. ▪ The effect of uncorrected misstatements related to prior periods. ▪ A request that any uncorrected misstatement be corrected. ▪ Corrected misstatements that are significant. ▪ Material misstatements corrected by management.	This [Provisional] Annual Audit Report - September 2026.
Fraud	▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity. ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist. ▪ A discussion of any other matters related to fraud.	This [Provisional] Annual Audit Report - September 2026.
Internal controls	Significant deficiencies in internal controls identified during the audit.	This [Provisional] Annual Audit Report - September 2026.

C Required communications (continued)

Required communications	What is reported?	Our reporting to you When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▪ Non-disclosure by management; ▪ Inappropriate authorisation and approval of transactions; ▪ Disagreement over disclosures; ▪ Non-compliance with laws and regulations; and ▪ Difficulty in identifying the party that ultimately controls the entity.	This [Provisional] Annual Audit Report - September 2026.
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats; ▪ Safeguards adopted and their effectiveness; ▪ An overall assessment of threats and safeguards; and ▪ Information about the general policies and process within the firm to maintain objectivity and independence.	Annual Planning Report - February 2026 and this [Provisional] Annual Audit Report - September 2026
External confirmations	▪ Management's refusal for us to request confirmations. ▪ Inability to obtain relevant and reliable audit evidence from other procedures.	This [Provisional] Annual Audit Report - September 2026.
Representations	Written representations we are requesting from management and/or those charged with governance.	This [Provisional] Annual Audit Report - September 2026.

C Required communications (continued)

Required communications	What is reported?	Our reporting to you When and where
Consideration of laws and regulations	▪ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off. ▪ Enquiry of the Finance, Audit and Scrutiny Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Finance, Audit and Scrutiny Committee may be aware of.	This [Provisional] Annual Audit Report - September 2026.
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise.	This [Provisional] Annual Audit Report - September 2026.
Auditors report	Any circumstances identified that affect the form and content of our auditor's report.	This [Provisional] Annual Audit Report - September 2026.
Best value and wider scope judgements and conclusions	Our reporting will include a clear narrative that explains what we found and the auditor's judgement in respect of the effectiveness and appropriateness of the arrangements that audited bodies have in place regarding the wider-scope audit.	This [Provisional] Annual Audit Report - September 2026.
Key audit matters	The requirement for auditors to communicate key audit matters, which apply to listed companies and entities which have adopted the UK Corporate Governance Code in the private sector, applies to annual audit reports prepared under the Code.	This [Provisional] Annual Audit Report - September 2026.

D Timeline of communication and deliverables

2026	Audit activity	Deliverable	Timing
January	Risk assessment for Financial Statements and wider scope audit dimensions		
February		Annual Planning Report	4 February 2026
March	Walkthrough of key systems and processes	Submission of quarterly fraud return	28 February 2026
April			
May			
June	Update meeting with Finance Team	Submission of quarterly fraud return	31 May 2026
July	year-end audit fieldwork		
August		Submission of quarterly fraud return	31 August 2026
September	Audit completion procedures	Annual Audit Report	13 September 2026

E Follow up of prior year recommendations

This appendix sets out the recommendations that were made in prior years, along with our assessment of progress.

No.	Previous Recommendation	Previous Management response	Our assessment of progress
1.	**General Reserves** The IJB has set a target for its uncommitted General Reserve of 2% of net expenditure. At 31 March 2024, the IJB's uncommitted reserve had fallen to £8.4 million, representing around 0.5% of net expenditure. The scale of the financial volatility facing the IJB, including homelessness (beyond the asylum decisions process), prescribing and pay inflation, mean that adequate general reserves are essential to manage the level of risk. The IJB's budget strategy aims to increase General Reserves by £9.3 million, but financial recovery measures will be necessary in 2024/25 to deliver financial balance. The IJB must ensure that financial management arrangements prioritise General Reserve balances to work towards target levels. Grade 1	**Initial Response:** The IJB has plans in place to increase General Reserves as part of the budget agreed for 2024/25. This will be prioritised as part of financial management arrangements during 2024/25. **Responsible officer:** Depute Chief Officer - Finance and Resources **Implementation date:** 30th May 2025	**Partially implemented:** Since 2023/24, we have made recommendations about the need to prioritise the replenishment of General Reserves. In both 2024/25 and 2025/26, the IJB's agreed budget strategy and delivered significant underspends, enabling a further £8.8 million to be added to General Reserves in 2025/26 alone. This increased uncommitted General Reserves to 1.8% (£33.1 million) at 31 March 2026 and demonstrates positive progress in strengthening short-term financial resilience. However, the IJB continues to face significant medium-term financial sustainability challenges. The Medium-Term Financial Outlook identifies a cumulative funding gap of £103.3 million by 2028/29. General Reserves will remain below the IJB's target level and reduce to around 1.1% of expenditure during 2026/27 (a gap of around £18 million) . As a result, we consider the underlying recommendation remains relevant. **Action required in 2026/27** Given the scale of the financial challenges facing the IJB, delays to implementation or under-delivery of the STEP Forward programme could adversely affect progress towards achieving long-term financial sustainability. While the planned use of reserves forms part of the IJB's financial strategy over the short term, 2026/27 will be a critical year for demonstrating delivery of the STEP Forward programme. The IJB should ensure that planned savings, service redesign activity and anticipated benefits are achieved within agreed timescales to reduce reliance on reserves and support the replenishment of reserves towards target levels over the period of the Medium-Term Financial Outlook.

F Adjusted and unadjusted audit differences

Audit differences

- There were no adjusted or unadjusted differences that we require to highlight to the Committee.
- During the course of the audit, management agreed to process minor presentational updates to the financial statements to respond to audit comments.

G Additional audit information

Introduction

In addition to the key areas of audit focus outlined within the plan, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities under auditing standards

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IJB’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the going concern basis of accounting.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Read other information contained in the financial statements, the Finance, Audit and Scrutiny Committee reporting appropriately addresses matters communicated by us to the Committee and reporting whether it is materially inconsistent with our understanding and the financial statements.
- Maintaining auditor independence.

Purpose and evaluation of materiality

- For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.
- Materiality determines the locations at which we conduct audit procedures, and the level of work performed on individual account balances and financial statement disclosures.
- The amount we consider material at the end of the audit may differ from our initial determination. At this stage it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit, we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

Management decisions

- Management agree that they remain solely responsible for management decisions relating to the audited body and that we do not, and cannot, act in a managerial capacity nor can we make business decisions for management/the audited body in connection with the services or otherwise, nor advise or recommend that any accounting policy, treatment or reporting is suitable for any particular purpose or specific facts, and management agrees that they will not rely on us as having done so.

G Additional audit information (cont.)

Audit Quality Framework/Annual Audit Quality Report

- Audit Scotland are responsible for applying the Audit Quality Framework across all audits. This covers the quality of audit work undertaken by Audit Scotland staff and appointed firms. The team responsible are independent of audit delivery and provide assurance on audit quality to the Auditor General and the Accounts Commission.
- We support reporting on audit quality by proving additional information including the results of internal quality reviews undertaken on our public sector audits. The most recent audit quality report can be found at: Quality of public audit in Scotland: Annual report 2025/26 | Audit Scotland
- EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details can be found in our annual Transparency Report: **https://www.ey.com/en_uk/about-us/transparency-report**

This report

This report has been prepared in accordance with the Terms of Appointment Letter from Audit Scotland through which the Accounts Commission has appointed us as external auditor of Glasgow City Integration Joint Board for financial years 2022/23 to 2026/27.

This report is for the benefit of the IJB and is made available to the Accounts Commission and Audit Scotland (together "the Recipients").

This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

Complaints

If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with Stephen Reid who is our partner responsible for services under appointment by Audit Scotland, telephone 0131 777 2839, email sreid2@uk.ey.com. If you prefer an alternative route, please contact Anna Anthony, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you.

Should you remain dissatisfied with any aspect of our service, or with how your complaint has been handled, you can refer the matter to Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN. Alternatively you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

EY | Building a better working world

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