



Fife Integration Joint Board Audited Annual Accounts

For the Financial Year to 31 March 2026

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Management Commentary

Introduction

Welcome to the financial statements for Fife Integration Joint Board (IJB) for the year ended 31 March 2026. The statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and explain how resources have been used to deliver health and social care services across Fife.

This has been another exceptionally challenging year. Like the rest of Scotland, Fife continues to experience sustained and increasing demand for health and social care services, with more people living longer, often with multiple and complex needs. At the same time, the cost of delivering care continues to rise, and available funding has not kept pace with these pressures.

Despite this, Fife Health and Social Care Partnership (Fife HSCP) has continued to deliver essential services, strengthen financial oversight and progress key areas of transformation, working closely with NHS Fife, Fife Council, care providers and our communities.

Role, Purpose and Responsibilities

Fife IJB was established under the Public Bodies (Joint Working) (Scotland) Act 2014 and is responsible for planning, resourcing and overseeing integrated health and social care services in Fife.

The IJB is the decision-making body that sets the strategic direction for services, agrees how resources are allocated, and ensures that national Health and Wellbeing Outcomes are delivered locally. Services are delivered by Fife HSCP through Directions issued to NHS Fife and Fife Council, setting out what is to be delivered, the resources available and how performance will be monitored.

Our purpose remains to improve outcomes for people, particularly those with the most complex needs, by providing coordinated, person-centred care that supports independence, dignity and participation in communities.

The nine national outcomes are:

Healthier Living People are able to look after and improve their own health and wellbeing and live in good health for longer.	Independent Living People, including those with disabilities or long-term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	Positive Experiences and Outcomes People who use health and social care services have positive experiences of those services, and have their dignity respected
Quality of Life Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	Reduce Health Inequalities Health and social care services contribute to reducing health inequalities.	Carers are Supported People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.
People are Safe People using health and social care services are safe from harm.	Engaged Workforce People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	Resources are used Efficiently and Effectively Resources are used effectively and efficiently in the provision of health and social care services.

Strategic Direction and Priorities

2025–26 marks the final year of the Strategic Plan 2023–2026. Across this three-year period, Fife HSCP has made good progress against its strategic priorities despite sustained system pressure and increasing financial challenge.

The five priorities from the 2023-2026 strategic plan were:



The Year 3 Annual Report confirms that 43 of 61 planned actions for 2025–26 were completed, with a further 16 actions carried forward into the next planning cycle. Key areas of progress include strengthening support for carers, advancing our approach to commissioning, and developing targeted responses to emerging public health challenges.

Key achievements over the last year include:

- Delivery of the final year of the Fife Suicide Prevention Action Plan, with an evaluation report progressing through governance and informing the next phase.
- Streamlining the Adult Carer Support Plan from nine sections to three, integrating the updated eligibility framework and improving the experience for carers and staff.
- Completion of a deep dive on cocaine and crack cocaine harms across Fife and developed an action plan aligned to the FAIR Model and MAT Standards; the KY Club in Cowdenbeath has since been relocated and refocused to address local polysubstance issues.
- Developed a strengthened Advocacy Logic Model, aligning national and local advocacy outcomes to ensure personal outcomes remain central.
- Undertook a Commissioning Consultation with staff and third/independent sector partners, with 82% of respondents aware of Fife HSCP's commissioning strategy and principles.

The Strategic Plan (2023-26), the Delivery Plans and the Annual Reports are available on our website here: www.fifehealthandsocialcare.org/about-us/publications/

The Year 3 Annual Report and refreshed Strategic Plan 2026-29 are also available via the same link.

Looking ahead, a refreshed Strategic Plan for 2026–2029 has been developed alongside the Medium-Term Financial Strategy (MTFS). This sets a clear direction for Fife HSCP, focused on three core priorities:

- **Prevention** – supporting people earlier to reduce future demand
- **Communities** – strengthening local capacity and support closer to home
- **Digital** – improving access, productivity and service delivery through technology

An Investment Framework is now being co-designed with the Strategic Planning Group to ensure that future investment, disinvestment and transformation decisions are clearly aligned to these priorities, deliver measurable outcomes and support long-term sustainability.

Operational Performance 2025–26

Operational performance during 2025–26 demonstrates resilience within a system under sustained pressure, with high demand, increasing complexity of need, workforce constraints and continued reliance on commissioned care.

In response, Fife HSCP has strengthened its approach to operational and financial management. This has included:

- Improved data and performance dashboards, providing greater visibility of key drivers such as care home utilisation, home care capacity and delayed discharges
- Enhanced scrutiny through regular engagement between the Chief Finance Officer, NHS Fife Director of Finance and Fife Council Section 95 Officer
- Increased frequency of tripartite meetings, bringing together senior clinical, social work and finance leaders to support whole system oversight
- A strengthened Progress Review Update (PRU) process, providing greater accountability and focus on delivery of savings and financial recovery actions

These arrangements have improved transparency, strengthened governance and supported earlier identification of emerging risks and pressures. While a range of management actions were taken, including vacancy controls, targeted recruitment and tighter control of discretionary spend, demand-led pressures continued to impact performance. Overall, Fife HSCP has maintained safe and effective services while strengthening its ability to manage performance and respond to risk.

Performance is monitored through a combination of national indicators, including those aligned to the Ministerial Strategic Group (MSG) and Local Government Benchmarking Framework (LGBF), alongside locally developed measures. These support delivery of the National Health and Wellbeing Outcomes and are reported regularly to the IJB.

Key Performance Themes

Unscheduled Care and System Flow - Demand for unscheduled care remains high, reflecting national trends and continued pressure across acute services. Encouragingly, unscheduled bed days have improved compared to the previous year, and reductions in average bed days lost within community hospitals highlight positive progress in patient flow and discharge processes. While delayed discharge continues to present a system challenge, there is clear evidence of targeted improvement activity, with ongoing focus on further strengthening flow across the whole system, however Fife continues to perform as the best in Scotland for delayed discharge.

Community Services and Delayed Discharge - There has been positive progress in reducing length of stay within assessment beds, reflecting strengthened discharge planning and improved step-down arrangements. Demand for care at home services continues to rise, demonstrating both growing need and the increasing complexity of care within community settings. Fife HSCP is actively responding to this through prioritised expansion of care at home provision and the use of interim care solutions, supporting more timely discharge and care closer to home.

Mental Health Services - Performance within Child and Adolescent Mental Health Services (CAMHS) remains a clear strength, with national waiting time standards consistently exceeded. At March 2026, 98.9% of patients commenced treatment within 18 weeks, reflecting sustained high-quality delivery. Psychological therapies have also shown improvement over the year. While further progress is required to fully meet national standards, ongoing service redesign and targeted improvement activity are in place to address capacity and demand.

Prevention and Early Intervention - Performance across prevention indicators presents a mixed picture. While some areas, such as smoking cessation and childhood immunisation uptake (6-in-1), demonstrate positive progress, other indicators, including MMR uptake and infant feeding, have declined and remain below target levels. These trends highlight the ongoing impact of wider system pressures and inequalities, and the need for sustained focus on early intervention and prevention activity.

Quality and Safety - Quality and safety remain central to service delivery, with comprehensive governance and assurance arrangements in place. While some indicators, including falls with harm and incidents within mental health settings, have shown variation over the reporting period, these are subject to active monitoring and improvement action. Performance against statutory complaint response times continues to be a focus for improvement, particularly within NHS services, supported by strengthened oversight and accountability.

Workforce - Workforce capacity remains a key enabler of performance. Absence rates, while still above target, have shown early signs of improvement across both NHS and Local Authority services. Targeted actions to support workforce wellbeing, recruitment, and retention are ongoing and are critical to sustaining service delivery, particularly within community-based services.

Outlook and Improvement

Fife HSCP remains focused on delivering its Strategic Plan through a programme of targeted transformation. Key priorities include improving system flow, expanding community capacity, and strengthening prevention and early intervention. Progress will be underpinned by enhanced performance management, continued benchmarking, and strong collaboration with NHS Fife, Fife Council, and third and independent sector partners. Through this collective approach, Fife HSCP is well positioned to build on progress to date and continue improving outcomes for the population of Fife.

Our Workforce

Our workforce is central to delivering high-quality, person-centred care. The 2022–2025 Workforce Strategy concluded during the year and has transitioned into a one-year Workforce Delivery Plan for 2026–2027, aligning more closely with both our financial planning cycle and the refreshed Strategic Plan.

The refreshed plan, structured around the five pillars of Plan, Attract, Train, Employ and Nurture, was co-designed with NHS Fife, Fife Council, and partners across the independent and third sectors, ensuring full representation from all HSCP business portfolios. Across the 2022–25 period, 170 workforce priority actions were progressed, with 129 delivered within the planned timeframe, achieving a 76% completion rate. Significant progress has been made, including:

- Strengthening workforce planning through improved data, establishment controls and digital rostering
- Expanding early career and inclusive employment pathways
- Supporting the development of the professional workforce through targeted programmes
- Advancing equality, diversity and inclusion and embedding trauma-informed practice

Workforce challenges remain, particularly in key areas such as mental health and community services and continue to impact service delivery and financial performance.

Looking forward, Fife HSCP enters the new planning cycle prioritising Prevention and the continued embedding of Trauma-Informed Practice through delivery and evaluation of the national training programme. Collaboration with Developing the Young Workforce will support locally designed career-pathway events across Communities, alongside the introduction of a transformation programme for Community Nursing to deliver evidence-based, contemporary models of care aligned with national and local priorities. Digital objectives include establishing a Care Skills Partnership with Fife College to address social care digital skills gaps through joint curriculum design and targeted learning pathways, providing a strong foundation for the 2026–29 Strategic Plan.

Financial Performance 2025–26

Reflecting the operational and demand pressures set out above, the IJB reported total funding of £887.411m and total expenditure of £886.245m for 2025–26. Within delegated and managed services, expenditure was £818.771m against a budget of £819.937m, resulting in a reported variance of £1.166m. However, an underlying overspend of £9.515m arose during the year, reflecting sustained demand and cost pressures.

	Budget £000	Actual £000	Variance £000	Variance %
Delegated and Managed Services	819,937	818,771	(1,166)	(0.14%)
Set Aside Acute Services	67,474	67,474	0	

The surplus variance of £1.166m is consistent with our Comprehensive Income & Expenditure Statement, and the increased reserves balances shown in the Movement in Reserves Statement.

The key drivers of financial pressure were:

- Increased demand for adult and older people's social care services
- Mental health and inpatient pressures, including the use of agency staffing
- Cost pressures across commissioned services and out-of-area placements

While some of these pressures were offset by underspends due to staffing vacancies, recruitment remains challenging, especially for specialist roles. Efforts are ongoing to review skill mix and improve recruitment outcomes.

To address financial challenges, the IJB approved a savings plan targeting £29.424m in savings for 2025-26. Of this:

- 83% was achieved during the year
- The remaining savings will be carried forward to be delivered in 2026-27 and have been included in the 2026-27 budget setting process

Set Aside Services

The Acute Set Aside services budget was delegated to the IJB but remains operationally managed by NHS Fife. Although there was an overspend of £4.562m on these services, the additional cost was absorbed by the Health Board. As a result, the IJB's financial responsibility remained at the budgeted £67.474m, achieving a break-even position for set aside services.

There has been limited progress on the delegation of hospital budgets, which remains a challenge across Scotland. In August 2023, the Chief Officer and Chief Executives agreed that no further changes would be made to set aside arrangements in Fife until national reforms are clarified. Despite this, strong collaboration continues among NHS Fife, Fife Council, and the Fife HSCP, particularly in areas such as unscheduled care, capacity, and patient flow.

Reserves Position

The IJB held reserves of £2.878m at 31 March 2026, all of which are committed or earmarked for specific purposes.

While balances increased during the year, the level of reserves remains low relative to the scale of financial risk faced by Fife HSCP, and no general reserve is currently held. Progress towards the longer-term aim of maintaining a general reserve of 2% of expenditure remains a key consideration.

Earmarked Reserves	Opening Balance April 2025	Additions in Year	Allocated in Year	Closing Balance at March 2026
	£m	£m	£m	£m
Mental Health R&R	0.522			0.522
Anti-Poverty	0.052	0.042	(0.026)	0.068
Unscheduled care		1.071		1.071
Long Covid		0.307		0.307
Psychology		0.186		0.186
Hospital @ Home		0.026		0.026
Total Earmarked	0.574	1.632	(0.026)	2.180
Community Alarms - Analogue to Digital	0.971		(0.570)	0.401
Housing – adaptations	0.167	0.297	(0.167)	0.297
Committed Balance	1.138	0.297	(0.737)	0.698
Uncommitted Balance		0.782	(0.782)	0
Total Reserves	1.712	2.711	(1.545)	2.878

Financial Outlook and Risks

The financial outlook remains extremely challenging. Demand for services continues to increase at a pace that exceeds available funding, driven by demographic change, increasing complexity of need and wider economic pressures.

A funding gap of £34.570m was identified for 2026–2027. This is being addressed through an agreed savings programme of £23.370m alongside additional funding contributions from partners. Delivery of this position will require sustained focus, strong governance and continued collaboration across the system.

Theme	£m
Previously Approved - Transformation / Transformation & Efficiencies / Efficiencies	12.550
Service Redesign	0.180
Transformation / Transformation & Efficiencies	5.908
Efficiencies – recurring / non -recurring	4.732
Total	23.370

The most significant medium- to long-term principal risks and uncertainties facing Fife HSCP are set out below.

Demand and complexity of need – Demand for health and social care services continues to grow, with increasing complexity, particularly in relation to adult services, transitions and high-cost packages. This creates financial volatility and pressure on existing budgets,

particularly where costs arise that were not anticipated at the start of the financial year.

Workforce capacity and sustainability – Workforce availability remains a key constraint across a number of service areas, particularly within community and mental health services. The reliance on turnover savings and challenges in recruiting to specialist roles present an ongoing risk to both service delivery and financial performance.

Financial Sustainability and Funding - The inability to maintain a general reserve increases exposure to financial shocks. In addition, there are risks associated with the delivery of planned savings, particularly where these require transformational change.

Service Delivery and Transformation - Delivery of the Medium-Term Financial Strategy is dependent on large-scale transformation programmes and whole system change. This requires sustained leadership capacity, effective change management and strong partnership working across statutory, third and independent sectors.

System Working and Decision-Making - The IJB is reliant on decisions made by partner organisations, and vice versa. Changes in financial or operational decisions across the system may have unintended consequences for Fife HSCP's financial position and service delivery. Continued alignment and collaborative decision-making arrangements are critical.

Prescribing and Cost Pressures - While prescribing decisions are made locally, the cost of medicines is influenced by national factors, including the introduction of new treatments. This creates uncertainty and limits Fife HSCP's ability to fully control associated cost pressures.

Set Aside and Hospital Services - Progress in relation to the delegation of set aside budgets remains limited, reflecting national challenges. Current overspends and the lack of fully aligned financial control arrangements present ongoing risk in achieving a whole-system financial position.

Policy and Funding Constraints - Certain areas of income, including charging policies, remain outwith the control of the IJB and are determined by partner organisations. This limits financial flexibility and the ability to respond to increasing demand.

Public Expectations and Engagement - Rising demand, combined with constrained resources, creates a risk that public expectations cannot be fully met. Continued engagement through participation and engagement frameworks is essential to support understanding of service changes and priorities.

Wider Economic and External Factors - Inflationary pressures, demographic changes and global economic factors continue to impact the cost of delivering services. These external influences further compound the financial challenges facing Fife HSCP.

These risks are interrelated and require a coordinated, whole system response to ensure financial sustainability and continued service delivery.

Strengthening Financial Management

In response to these challenges, Fife HSCP continues to strengthen its approach to financial management and oversight. This includes:

- Continued use of escalation and monitoring tools to track demand, cost and financial risk
- Closer alignment between financial planning, service delivery and strategic priorities
- Development of the Investment Framework to improve decision-making and prioritisation

There remains a clear focus on maximising available resources, controlling expenditure and delivering sustainable services.

Value for Money

Delivering value for money remains a core priority. All commissioning and procurement activity is undertaken in line with best value principles, ensuring resources are used effectively to deliver high-quality outcomes. A continued focus on prevention, early intervention and community-based care will be essential to achieving better outcomes within constrained resources.

Acknowledgement

2025–26 has been a particularly challenging year for Fife HSCP. Despite this, services have continued to be delivered, and progress has been made in strengthening financial management and advancing our strategic priorities.

These achievements reflect the commitment, professionalism and resilience of our workforce and partners across health, social care, the third and independent sectors. We recognise and thank them for their continued dedication to supporting the people of Fife.

Fife HSCP remains committed to delivering sustainable, high-quality services for the people of Fife despite the challenges ahead.

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Lynne Garvey
Chief Officer

Date.....

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David Ross
Chair of the IJB

Date.....

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Tracy Hogg
Chief Finance Officer

Date.....

Statement of Responsibilities

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

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that it has an officer responsible for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Integration Joint Board that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority (Scotland) Regulations 2014) and so far, as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003, as amended by the Coronavirus (Scotland) Act 2020.)
- Approve the Annual Accounts for signature.

I confirm that these Audited Annual Accounts were approved for signature at a meeting of the Integration Joint Board on 30 September 2026.

Signed on behalf of the Fife Integration Joint Board

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David Ross
Chair of the IJB

Date

Responsibilities of the Chief Finance Officer

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

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

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

The Chief Finance Officer has also:

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

Statement of Accounts

I certify that the financial statements give a true and fair view of the financial position of the Fife Integration Joint Board as at 31 March 2026, and the transactions for the year then ended.

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Tracy Hogg, FCCA, Chief Finance Officer

Date

Remuneration Report

Introduction

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

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

Remuneration: IJB Chair and Vice Chair

The voting members of the Integration Joint Board are appointed through nomination by NHS Fife and Fife Council. Nomination of the IJB Chair and Vice Chair post holders' alternates between a Councillor and a Health Board representative.

David Ross, Leader of Fife Council, took up the role of Chair in December 2024.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses or remuneration paid to the Chair or Vice Chair in 2025-26 or prior years.

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

Remuneration: Officers of the IJB

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

The Chief Officer was permanently appointed by the Integration Joint Board (IJB), following consultation with NHS Fife and Fife Council, and remains in post. Responsibility for determining the Chief Officer's remuneration sits jointly with NHS Fife and Fife Council. The post holder is employed by NHS Fife and is seconded to the Integration Joint Board in accordance with Section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014.

The Chief Finance Officer retired in October 2025, and a successor was subsequently appointed. The Chief Finance Officer is employed by Fife Council.

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

2024-25 Total (£)	Senior Employees Salary, Fees & Allowances	2025-26 Total (£)
51,883 FYE (112,210)	L Garvey Chief Officer 1 st November 2024 onwards	124,279
101,408	A Valente Chief Finance Officer 1 st April 2025 to 31 st October 2025	61,276 FYE (103,553)
-	T Hogg Chief Finance Officer 6 th October 2025 onwards	50,216 FYE (103,553)
153,291	Total	235,771

There were no payments to officers in 2025-26 or prior years in relation to bonus payments, taxable expenses, or compensation for loss of office.

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

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

Pension Benefits for Fife Council

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

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

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

Actual Pay 2025-26	Contribution Rate 2025-26	Actual Pay 2024-25	Contribution Rate 2024-25
Up to and including £27,000	5.50%	Up to and including £27,000	5.50%
Above £27,001 and up to £33,000	7.25%	Above £27,001 and up to £33,000	7.25%
Above £33,001 and up to £45,300	8.50%	Above £33,001 and up to £45,300	8.50%
Above £45,301 and up to £60,400	9.50%	Above £45,301 and up to £60,400	9.50%
Above £60,401	12.00%	Above £60,401	12.00%

Pension Benefits for NHS

NHS Fife participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a four-yearly funding valuation undertaken by the scheme actuary.

The valuation carried out as at 31 March 2016 confirmed that an increase in the employer contribution rate from 14.9% to 20.9% was required from 1 April 2019 to 31 March 2023. The UK Government since confirmed that these employer rates would remain in place until 31 March 2024. In addition, member pension contributions over the period to 30 September 2023 have been paid within a range of 5.2% to 14.5% and have been anticipated to deliver a yield of 9.6%. The valuation carried out as at 31 March 2020 confirmed that an increase in the employer contribution rate from 20.9% to 22.5% is now in force from 1 April 2024 to 31 March 2027. In addition, member pension contributions since 1 April 2024 have been paid within a range of 5.7% to 12.7% and have been anticipated to deliver a yield of 9.8%.

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

Senior Employee	In-Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31-03-25 £	For Year to 31-03-26 £		Difference from 31-03-25 £	As at 31-03-26 £
L Garvey Chief Officer	11,541	27,195	Pension Lump Sum	6,369 11,066	40,388 94,822
A Valente Chief Finance Officer	21,858	13,174	Pension Lump Sum	3,000 1,000	55,000 76,000
T Hogg Chief Finance Officer	-	10,796	Pension Lump Sum	-	29,000 19,000
Total	33,399	51,166	Pension	9,639	124,388
			Lump Sum	12,066	189,822

Note: A Valente & T Hogg amounts are based on all LGPS membership not just current employment.

Exit Packages

There were no exit packages paid in 2025-26 (2024-25, none).

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Lynne Garvey
Chief Officer
Date

.....

David Ross
Chair of the IJB
Date

Annual Governance Statement

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

Scope of Responsibility

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

The IJB Vision is to enable the people of Fife to live independent and healthier lives. The Integration Scheme delegates Health and Social Care functions to the IJB and the IJB is responsible for strategic direction and operational oversight of the Integrated Services. A Directions Policy sets out the process for formulating, approving, issuing and reviewing Directions from the IJB to the partner organisations, NHS Fife and Fife Council.

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

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

2025-26 Governance Framework and System of Internal Control

There were several changes within the Senior Leadership Team during 2025-26; however, a full complement is now in place, providing greater stability and continuity in leadership. The IJB Board comprises 16 voting members, nominated by Fife Council and NHS Fife, alongside a range of non-voting members, including the Chief Officer appointed by the Board.

The IJB has 3 Committees supporting the Board: -

The Audit and Assurance Committee chaired by a member of the IJB and comprising 3 further IJB members, provides assurance to the IJB that it is fulfilling its statutory requirements. During 2025-26 the Audit and Assurance Committee met 5 times.

The Quality and Communities Committee (QCC) chaired by a member of the IJB and comprising a further 8 members of the IJB providing assurance to the IJB on the quality and safety of services as defined in the Integration Scheme. The QCC met 6 times during the financial year.

The Finance, Performance and Scrutiny (FPS) Committee chaired by a member of the IJB and comprising 3 further IJB members review the financial position and monitor performance against key non-financial targets in accordance with the scope of services as defined in the Integration Scheme. The FP&S Committee met on 6 occasions during 2025-26.

In addition to the scheduled Governance Committee meetings, an extraordinary, combined committee session was convened during 2025–26. This provided all members with the opportunity to collectively consider, scrutinise and agree the Medium-Term Financial Strategy and the budget for 2026–27.

The key features of the governance framework in place during 2025–26 included:

- Bi-monthly meetings of the Integration Joint Board (IJB) and its Governance Committees, supported by dedicated Development Sessions for members
- A Code of Conduct and maintained Register of Interests for all IJB members
- Bi-monthly meetings of the Strategic Planning Group and Local Partnership Forum
- A Chief Officer in post throughout 2025–26
- A Chief Finance Officer (CFO) in post throughout 2025–26
- Effective liaison between IJB Internal Audit and the internal audit functions of Fife Council and NHS Fife
- Tripartite Director of Finance meetings involving the Chief Finance Officer

The governance framework operated on a foundation of robust internal controls, including management and financial reporting, financial regulations, administrative processes, supervision, and delegated authority. During 2025–26, this included:

- Regular financial reporting to the IJB
- Approval and implementation of a revised Performance Framework
- Approval and adoption of the Annual Internal Audit Plan
- Delivery of targeted Deep Dive reviews of strategic risks

Overview of Areas for Improvement and Development during 2025-26

Areas for improvement to further strengthen the IJB's governance arrangements and systems of internal control were identified within the IJB Annual Accounts for 2024-25. A progress update on these actions is detailed below: -

Improvement Area	Action Undertaken
Continuation of review of all strategies which support the strategic Plan	Ongoing A refreshed Strategic Plan was approved in March 2026. The associated Delivery Plan incorporates outstanding actions from the 2023–26 supporting strategies as they reach the end of their lifecycle.
Implementation of Risk Appetite into Committee Reporting	Complete A revised SBAR reporting template is in development and will incorporate Risk Appetite.
Development of on-line member induction training	Complete A new on-line member induction programme has been developed.
Review of Code of Corporate Governance Manual	Ongoing The Code of Corporate Governance Manual remains under review, with work continuing to ensure it reflects current best practice and governance requirements.
Review approach to strategic planning process for 2026 onwards including annual reporting	Complete A revised strategic plan and annual reporting arrangements were approved by the IJB March 2026.
Implementation of budget escalation tool to enhance financial budgetary controls to allow early reporting to partners	Complete Financial controls have been enhanced through the introduction of tripartite meetings and a formalised budget escalation process, strengthening oversight and financial governance.
Revised reporting Committee template (SBAR) includes impacts and implications to enable informed decision making	Complete SBAR Template has been revised to include Risk Appetite and Impacts.
Implement reporting framework on effectiveness of partner bodies arrangements for counter fraud and corruption	Complete Partner counter fraud reporting arrangements are annual scheduled report to IJB.
Continuous review of Committee and IJB workplans to ensure alignment with Terms of Reference and remit as per Integration Scheme	Complete Assurance is provided through annual reporting to the IJB on the effectiveness of partner bodies' counter fraud and corruption arrangements.

Overview of Areas for Improvement and Development for 2026-27

Following consideration of the adequacy and effectiveness of the IJB governance arrangements, in addition to the ongoing continuous improvement actions from 2025-26, further actions will be progressed in 2026-27 to strengthen the good governance controls. These actions are detailed in the table below: -

Key Actions for 2026-27
• Review and update the Code of Corporate Governance Manual • Review and update the Integration Scheme • Develop a refreshed Workforce Action Plan for 2026-27 aligned to the Strategic Plan (subject to Scottish Government reporting guidance) • Present a refreshed Participation and Engagement Framework, aligned to the Strategic Plan 2026–29 • Review the role and remit of the Strategic Planning Group to strengthen alignment with whole system transformation, strategic objectives, and financial delivery • Review and update the IJB Risk Management Policy and Strategy in 2026-27 to align with the refreshed Strategic Plan

Roles and Responsibilities

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

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

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

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

Review of Adequacy and Effectiveness

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

Planned use of earmarked and committed reserves were utilised in year. Despite efforts to reduce the overspend and take recovery action in year, an overspend remained at year end. To reach a balanced financial position for 2025-26, partners were required to provide funding as per the risk share agreement contained within Section 8.2 of the Integration Scheme.

The above compounds the level of risk the IJB will be exposed to in relation to financial sustainability in future years. Strong financial management will be required to control and contain costs where possible, recognising that there is no general reserve available for use.

A suite of whole system measures has been implemented to strengthen controls and reduce risk where possible. A key component of this is the established four-weekly meetings between the Chief Finance Officer and Directors of Finance from NHS Fife and Fife Council. Introduced during 2024–25, these have proven effective in supporting open communication and are now embedded as business-as-usual arrangements going forward.

The annual internal audit assurance report offers reasonable assurance in respect of Fife IJB’s overall arrangements for risk management, governance, and control for the year to 31 March 2026.

Conclusion and Opinion on Assurance

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

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

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Lynne Garvey
Chief Officer

David Ross
Chair of the IJB

Date **Date**

Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services commissioned for the year in accordance with the Integration Scheme.

2024-25				2025-26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
75,319	-	75,319	Hospital	74,982	-	74,982
149,423	-	149,423	Community Healthcare	165,786	-	165,786
218,152	-	218,152	Family Health Services & Prescribing	224,912	-	224,912
18,732	-	18,732	Children's Services	19,988	-	19,988
310,374	-	310,374	Social Care	331,399	-	331,399
1,466	-	1,466	Housing	1,349	-	1,349
352	-	352	IJB Operational Costs	355	-	355
58,672	-	58,672	Acute Set Aside	67,474	-	67,474
832,490	-	832,490	Cost of Services	886,245	-	886,245
-	(829,471)	(829,471)	Taxation and Non-Specific Grant Income	-	(887,411)	(887,411)
-	-	3,019	(Surplus) or Deficit	-	-	(1,166)
		3,019	Total Comprehensive Income and Expenditure			(1,166)

There are no statutory or presentation adjustments which affect the IJB's application of the funding received by NHS Fife and Fife Council. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these annual accounts.

Movement in Reserves Statement

This statement presents the movement during the year on the reserves held by the IJB. The movements which arise due to statutory adjustments which affect the General Fund Balance will be separately identified from the movements due to accounting practices, if required.

Movements in Reserves During 2025-26	General Fund Balance	Total Reserves
	£000	£000
Opening Balance at 1st April 2025, brought forward	(1,712)	(1,712)
(Surplus)/ Deficit on provision of services	(1,166)	(1,166)
Total Comprehensive Income and Expenditure	(1,166)	(1,166)
Balance as at 31 March 2026, carried forward	(2,878)	(2,878)
Movements in Reserves During 2024-25	General Fund Balance	Total Reserves
	£000	£000
Opening Balance at 1st April 2024, brought forward	(4,731)	(4,731)
(Surplus)/ Deficit on provision of services	3,019	3,019
Total Comprehensive Income and Expenditure	3,019	3,019
Balance as at 31 March 2025, carried forward	(1,712)	(1,712)

Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2026. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2025 £000		Notes	31 March 2026 £000
1,728	Short Term Debtors	6	2,891
1,728	Current Assets		2,891
16	Short Term Creditors	7	13
16	Current Liabilities		13
1,712	Net Assets		2,878
1,712	Usable Reserve: General Fund	8	2,878
1,712	Total Reserves		2,878

The Statement of Accounts presents a true and fair view of the financial position of the Fife Integration Joint Board as at 31 March 2026 and its income and expenditure for the year then ended.

The audited accounts were issued on 30 September 2026.

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Tracy Hogg FCCA
Chief Finance Officer

Date

Notes to the Financial Statements

1. Significant Accounting Policies

1.1 General Principles

The Financial Statements summarise the Integration Joint Board's transactions for the 2025-26 financial year and its position at the year-end of 31 March 2026.

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

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26, supported by International Financial Reporting Standards (IFRS).

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

1.2 Accruals of Income and Expenditure

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

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

1.3 Funding

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

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

1.4 Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet. All monies held on behalf of IJB were held by partners, the reserves balance is held by Fife Council on behalf of the IJB.

1.5 Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

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

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

1.6 Material Items of Income and Expenditure

There are none noted at this time.

1.7 VAT

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

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

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

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

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

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

2.1 Set Aside

The funding contribution from NHS Fife includes £67.474m in respect of ‘set aside’ resources relating to acute hospital and other resources. The IJB has responsibility for the consumption of, and level of demand placed on, these resources, however the responsibility for managing the costs of providing the services remain with NHS Fife. Therefore, the overspend incurred by the service has not been included in these accounts and is borne by NHS Fife.

2.2 Public Sector Funding

There is a high degree of uncertainty about future levels of funding for Local Government and the NHS, and this will directly impact on the IJB. Funding from partners has reduced significantly in real terms and it is anticipated that this will continue in the coming years. Savings proposals have been developed for the next 3 years, and work is ongoing to ensure that these are delivered at pace.

3. Events After the Reporting Period

The Chief Finance Officer issued the draft accounts on 26th June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4. Expenditure and Income Analysis by Nature

2024-25 £000		2025-26 £000
311,840	Services commissioned from Fife Council	332,748
520,298	Services commissioned from Fife NHS Board	553,143
314	Other IJB Operating Expenditure	316
38	Auditor Fee: External Audit Work	39
(829,471)	Taxation and Non-Specific Grant Income	(887,411)
3,019	(Surplus) or Deficit	(1,166)

5. Taxation and Non-Specific Grant Income

2024-25 £000		2025-26 £000
(583,334)	Funding Contribution from NHS Fife	(619,590)
(246,137)	Funding Contribution from Fife Council	(267,821)
(829,471)	Taxation and Non-specific Grant Income	(887,411)

The funding contribution from NHS Fife shown above includes £67.474m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by NHS Fife which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources. There are no other non-ringfenced grants and contributions.

6. Debtors

31 March 2025 £000		31 March 2026 £000
8	NHS Fife	7
1,720	Fife Council	2,884
1,728	Debtors	2,891

7. Creditors

31 March 2025 £000		31 March 2026 £000
-	NHS Fife	7
-	Fife Council	6
16	External Audit Fee	-
16	Creditors	13

8. Usable Reserve: General Fund

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

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

2024-25		2025-26		
Balance at 31 March 2025		Transfers In 2025-26	Transfers Out 2025-26	Balance at 31 March 2026
£000		£000	£000	£000
(522)	Mental Health R&R	-	-	(522)
(52)	Anti-Poverty	(42)	26	(68)
-	Unscheduled care	(1,071)	-	(1,071)
-	Long Covid	(307)	-	(307)
-	Psychology	(186)	-	(186)
-	Hospital @ Home	(26)	-	(26)
(574)	Total Earmarked	(1,632)	26	(2,180)
(971)	Community Alarms - Analogue to Digital		570	(401)
(167)	Housing - adaptations	(297)	167	(297)
(1,138)	Contingency/ Committed	(297)	737	(698)
	Uncommitted Balance - added via directions	(782)	782	-
(1,712)	General Fund Reserve Total	(2,711)	1,545	(2,878)

9. Related Party Transactions

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

Transactions with NHS Fife

2024-25 £000		2025-26 £000
(583,334)	Funding Contributions received from NHS Fife	(619,590)
520,298	Expenditure on Services Provided by NHS Fife	553,142
157	Key Management Personnel: Non-Voting Board Members	158
19	External Audit Fee	20
(62,860)	Net Transactions with NHS Fife	(66,270)

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

Balances with NHS Fife

31 March 2025 £000		31 March 2026 £000
8	Debtor balances: Amounts due from NHS Fife	7
-	Creditor balances: Amounts due to NHS Fife	7
8	Net Balance with NHS Fife	14

Transactions with Fife Council

2024-25 £000		2025-26 £000
(246,137)	Funding Contributions received from Fife Council	(267,821)
311,840	Expenditure on Services Provided by the Fife Council	332,748
157	Key Management Personnel: Non-Voting Board Members	157
19	External Audit Fee	20
65,879	Net Transactions with Fife Council	65,104

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

Balances with Fife Council

31 March 2025 £000		31 March 2026 £000
1,720	Debtor balances: Amounts due from Fife Council	2,884
-	Creditor balances: Amounts due to Fife Council	6
1,720	Net Balance with Fife Council	2,890

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

10. External Audit Fee

The IJB has incurred costs of £39,419 in respect of fees payable to Azets regarding external audit services carried out in 2025-26 (2024-25 £37,795).

11. Contingent Assets and Liabilities

The IJB is not aware of any material contingent asset or liability as at 31 March 2026.

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

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

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

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Fife Integration Joint Board for the year ended 31 March 2026 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the 2025/26 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Fife Integration Joint Board 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
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

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

Conclusions relating to going concern basis of accounting

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Fife Integration Joint Board's ability to continue to adopt the going concern basis of

accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

Risks of material misstatement

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- inquiring of the Chief Finance Officer concerning Fife Integration Joint Board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Reporting on other requirements

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

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

Other information

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Management Commentary

and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

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