

East Lothian  
Integration Joint Board



**MINUTES OF THE MEETING OF THE  
EAST LOTHIAN INTEGRATION JOINT BOARD  
AUDIT & RISK COMMITTEE**

**THURSDAY 28 JUNE 2018  
SALTIRE ROOM 1, JOHN MUIR HOUSE, HADDINGTON**

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**Members Present:**

Mrs M McKay (Chair)  
Ms F Ireland (Items 5 – 8)  
Mr A Joyce  
Councillor F O'Donnell

**Officers Present:**

Mr D King  
Ms M Garden  
Mr S Allan  
Mr C McCurley

**Others Present:**

Mr D Melly, Audit Scotland

**Clerk:**

Ms F Currie

**Apologies:**

Councillor S Currie

**Declarations of Interest:**

None

## **1. MINUTES OF THE IJB AUDIT AND RISK COMMITTEE MEETING OF 6 MARCH 2018**

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 6 March 2018 were approved.

## **2. MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 6 MARCH 2018**

The following matters arising from the minutes of 6 March were discussed:

**(Item 7) Risk Register** – David King said that he had yet to prepare a report on significant operational risks. His intention was to prepare and present the report to the Committee's meeting on 18 September.

**(Page 7) IJB 'Virtual Library'** – Councillor Fiona O'Donnell asked if any progress had been made on Councillor Currie's suggestion of a virtual library for the IJB, similar to the Council's Members' Library. She suggested that it would be a useful place to make available internal audit reports to those IJB members not on the Committee, as well as other reports of broader relevance to the IJB. Mr King said he would discuss this with Alison MacDonald.

## **3. UPDATE ON ACTIONS FROM THE ANNUAL ACCOUNTS**

A report was submitted by the Chief Finance Officer updating the Committee on the actions from the AGS and Annual Accounts paper which was presented to the Committee at its last meeting.

Mr King presented the report referring members to the updated lists of actions and indicating that some themes would be raised as part of the later items on the agenda. He added that these were important issues which needed to be further developed.

The Chair observed that it was a feature of the meeting's agenda that several key themes formed part of more than one of the items of business. She said that what seemed to be missing was clarification of who was responsible for actions on these themes and the timeframe for completion. She felt that this was of particular importance for work in relation to performance management and engagement.

Mr King agreed and indicated that engagement may need to be added to the Risk Register. Performance management and other key themes were already included in the Register, which had recently been updated to include information on who was carrying out actions and timescales for completion. He also suggested that they might wish to adopt the practice of some other IJBs and prepare a list of 'running actions', which could be regularly reviewed and updated, to keep track of progress in key areas.

The Chair said that these issues needed to be raised with the IJB as this was their responsibility too. She reiterated the importance of being able to see and track outcomes to show how much progress was being made with Directions and other Strategic objectives.

Councillor O'Donnell agreed with these comments and welcomed the idea of a list or timeline of actions. She observed that the virtual library would also be a helpful tool.

The Chair said she would raise these points in her verbal report to the IJB meeting later that day.

## **Decision**

The Committee agreed to note the update.

### **4. INTERNAL AUDIT REPORTS**

#### **a. DELAYED DISCHARGES**

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on Delayed Discharges.

Colin McCurley presented the report outlining the main findings in relation to the four control objectives. He indicated that the audit review had resulted in significant assurance being provided regarding all four controls, subject to one low level recommendation which had been accepted by Management. The recommendation stated that key delayed discharge statistics should be reported to each meeting of the IJB.

Councillor O'Donnell asked if figures were being regularly reported within NHS Lothian and she also asked whether the IJB had ever received a breakdown of the reasons for the delays in discharging patients.

Mr McCurley confirmed that the figures were reported regularly within NHS Lothian but that reporting to the IJB had been less regular. He said that information on the reasons for delays was recorded in NHS Lothian's TrakCare system and could be made available to the IJB.

The Chair indicated that more detailed reports, including the reasons for delays, had been provided on a regular basis in the early days of the IJB. Subsequently, however, it had been agreed that there was no longer a need for that level of detailed reporting.

Mr King added that Chief Officer provided a verbal update on delayed discharge census figures at each IJB meeting, as well as highlighting any issues around access to services.

Councillor O'Donnell said that it would be useful to see more detailed information and to understand the links with workforce planning. She suggested that a quarterly report be provided that included the reasons for delays and whether there was any requirement for action on the part of the IJB.

The Chair agreed and she also noted that although the East Lothian position had improved in relation to delayed discharges, they were still below the national average.

## **Decision**

The Committee agreed to note the contents of the audit report and identified a follow up action in relation to quarterly reporting to the IJB on the causes of delayed discharges.

#### **b. RISK MANAGEMENT**

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on Risk Management.

Stuart Allan presented the report outlining the audit's purpose and main findings. He highlighted areas which required to be addressed, including approval of the Risk Management Strategy and Policy by the IJB and ensuring that the Risk Register in place fully complies with the Risk Management Strategy.

Mr Allan stated that risk management arrangements were in place although there were areas with scope for improvement. Recommendations for action had been agreed by Management. He said that the audit team would provide a follow up report to the Committee in due course detailing progress with implementation of the recommendations.

In response to a question from Councillor O'Donnell, Mala Garden advised that the Risk Register was a live document which should be reviewed regularly. She explained that during the audit it had been noted that the same 5 risks had remained on the register since its initial development. As a result, it had been recommended that the document be regularly reviewed to ensure that it remained relevant to the IJB.

Mr King confirmed that he had discussed the Risk Register with Ms Garden and he agreed with the recommendations in the audit report. He said that while he did regularly ask members if new risks needed to be added to the register, this quite often led to a debate on the difference between strategic and operational risks and how these should be reflected. Mr King said he would discuss revisions to the Risk Register with Alison MacDonald.

The Chair thanked officers for the report and noted that some improvements needed to be made, mainly in relation to processes and timing issues. She said that although there was not a high level of concern attached to the recommendations, it was important that these were implemented within the agreed timescales.

## **Decision**

The Committee agreed to note the contents of the audit report.

## **5. ANNUAL INTERNAL AUDIT OPINION AND REPORT 2017/18**

The Public Sector Internal Audit Standards (PSIAS) required that the Chief Internal Auditor prepared an annual internal audit opinion and report that could be used by the IJB to inform its Governance Statement.

A report was submitted by the Chief Internal Auditor informing the Committee of the internal audit work undertaken in 2017/18 and to provide an opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control.

Ms Garden presented the report summarising the background and basis for her opinion; referring to the assessment of controls and governance; and highlighting the areas with scope for improvement which had been identified as part of the audit work in 2017/18. She advised that the implementation by Management of agreed actions to address these weaknesses should provide assurance that the system of internal controls was operating as intended.

Ms Garden concluded that in her opinion, subject to the weaknesses outlined in the report, reasonable assurance could be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year to 31 March 2018. She responded to questions from members on the content of her report.

In relation to the Risk Register, Councillor O'Donnell commented on the importance of identifying who was responsible for carrying out key actions, how the actions would be delivered and the timeframe for completion. She said that the input of officers would be key to this work, as would the connections with the IJB's partners. She suggested linking with the Area Partnerships as they may be able to provide input on risks not previously identified by the IJB.

The Chair commented that 'lay' members provided an external viewpoint and could bring forward issues not previously identified by officers. Regarding the relationships with partners, she observed that this again raised the question of where to draw the distinction between strategic and operational risks.

Fiona Ireland said that the cross-over between strategic and operational matters could be seen in the IJB's Directions which translated the intentions of the Strategic Plan into actions for the partners.

The Chair acknowledged this but reiterated the importance of tracking progress and clearly identifying who was responsible for key actions. She said she would raise this as part of her verbal report to the IJB.

## **Decision**

The Committee agreed to note that the Annual Internal Audit Opinion and Report 2017/18 is a formal confirmation of Internal Audit's opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year ended 31 March 2018.

## **6. 2017/18 ANNUAL ACCOUNTS**

A report was submitted by the Chief Finance Officer presenting the IJB's draft (unaudited) Annual Accounts for 2017/18.

Mr King presented the report summarising the key sections of the accounts and how these had been expanded upon since last year. He outlined the next steps and the timetable for auditing and final sign off.

The Chair commented positively on some of the additions to the accounts. However, she raised concern that this was the second year running that the IJB had achieved a break-even position only after additional resources were made available by the partners.

Councillor O'Donnell observed that it was also the second year running where the IJB had failed to achieve its efficiency savings and that this had had a considerable impact on the budgets. She also asked whether it would be possible to add some additional commentary to the accounts regarding the new Direction on workforce planning and to provide an example of the prevention work which had been undertaken.

Mr King confirmed that there was still some time available to revise the text and suggested that he prepare a sentence to be added to the accounts to reflect Councillor O'Donnell's comments.

The members agreed with this proposal.

## **Decision**

The Committee agreed to:

- (i) Consider the IJB's draft annual accounts; and
- (ii) Recommend to the IJB that it agrees the draft annual accounts, as amended, for publication and audit.

## **7. RISK REGISTER UPDATE**

A report was submitted by the Chief Finance Officer updating the IJB's risk register and presenting its most recent iteration to the Committee.

Mr King presented the report outlining the background to the register and noting that a number of the issues had already been discussed during earlier agenda items. He advised that the IJB used the NHS risk management system – Datix – and suggested that the next meeting of the Committee include a workshop to provide members with more information on the system and how it could be used to improve the IJB's risk management arrangements.

Councillor O'Donnell suggested that the meeting also look at examples of risk registers from other IJBs and consider issues such as the potential failure of services run by providers rather than directly by the partners. She stated that as these risks had the potential to affect the delivery of the IJB's Directions, they should be looked at more closely.

The Chair proposed that a risk be added to the register on performance in relation to Directions. She said that what seemed to be missing at present was information on progress with Directions, whether any had stalled and, if so, why and how this could be addressed. She said that this information would be available across the Health and Social Care Partnership but that it needed to be brought together.

Mr King acknowledged the point regarding providers and indicated that the Datix system may help in the identification and tracking of these risks.

Ms Ireland commented that this would then allow the IJB to identify at what point operational risks might impact on strategic risks and the delivery of the Directions. The Datix system might also allow them to be clearer as to whether they had identified all of the relevant strategic risks.

Mr Allan noted that the Risk Management Strategy stated that there may be some risks significant enough to be included in the register albeit management of those risks remained with the partners. The Strategy also noted that the IJB required assurances around the management of those risks. Mr Allan said that Internal Audit would like to see mechanisms in place to ensure that such risks are identified and reflected in the register going forward.

The Chair thanked members for their comments which she said had identified a number of topics for discussion at the next meeting. Following on from this and in line with discussions at previous meetings, she suggested adding a new risk to the register under the heading 'Performance on Directions' which could look at the risks associated with decision-making rather than operational or resource matters. The members agreed to this addition.

## **Decision**

The Committee agreed:

- i) that a new risk should be added in relation to 'Performance on Directions';
- ii) that the risk mitigation actions were adequate; and
- iii) to hold a Datix workshop as part of its September meeting.

**8. DATE OF NEXT MEETING**

The next meeting of the Audit & Risk Committee will be held on Tuesday 18 September 2018 at 2.00pm in the Council Chamber, Town House Haddington.

Mr King advised Members that this would be Mrs McKay's last meeting of the Audit & Risk Committee as she was retiring from the IJB in August. He wished to offer his own and the Committee's sincere thanks for her work as Chair over the past year.

Mrs McKay said that she had enjoyed her tenure on the Committee and had found the work very interesting.

Signed .....

Mrs Margaret McKay  
Chair of the East Lothian IJB Audit and Risk Committee