



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

**WEDNESDAY 22 JANUARY 2020
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Members Present:

Councillor S Kempson (Chair)
Mr D Binnie
Ms F Ireland
Mr A Joyce
Councillor F O'Donnell

Officers Present:

Ms C Flanagan
Ms A MacDonald
Mr D Stainbank

Others Present:

Ms G Woolman, Audit Scotland

Clerk:

Ms F Currie

Apologies:

None

Declarations of Interest:

None

1. MINUTES OF THE IJB AUDIT AND RISK COMMITTEE MEETING OF 10 SEPTEMBER 2019

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 10 September 2019 were approved.

2. MATTERS ARISING FROM THE MINUTES OF 10 SEPTEMBER

The following matters arising were discussed:

Item 3b – in response to a question from the Chair, Alison MacDonald advised that joint meetings had been arranged between officers from the Council and NHS Lothian to discuss health and social care finances and this had led to an improvement in the flow of information.

3. RISK REGISTER

A report was submitted by the Chief Finance Officer laying out the IJB's risk register.

Claire Flanagan presented the report advising members that the risk register continued to be refreshed and updated. She highlighted a few changes which had taken place since the last Committee meeting:

- ID 3924 – revised to include an additional control reflecting arrangements for ongoing discussions between the IJB, Council and Health Board on financial planning;
- ID 4018 - a reduction in the current risk level from 16 to 12 as a result of the controls put in place;
- ID 3925 – reviewed and 'likelihood' rating reduced to 6;
- ID 3926 – reviewed and 'likelihood' rating reduced to 4; and
- ID4947 – a new risk added to reflect NHS Lothian being placed on escalation measures and to highlight the potential impact on delivery of the IJB's Strategic Plan.

The Chair welcomed the progress made in mitigating individual risks and acknowledged the efforts of officers to manage the current uncertainties over next year's budget.

Fiona Ireland highlighted the potential for the risk rating of ID 3924 to increase depending on the outcome of budget negotiations. Ms Flanagan advised that both partners had provided indicative figures which had been used to build a medium term financial plan and, in addition, the IJB currently held a small reserve.

Gillian Woolman commended the risk register as a very accessible and dynamic document and she welcomed the fact that it was updated regularly as a result of live issues and following regular discussion at the Committee.

David Binnie asked if there was a mechanism in place to assess the potential risks associated with each new Direction created by the IJB.

Ms MacDonald explained that Directions were often be created as a result of an identified need or risk. However, an integrated impact assessment was carried out for each new Direction and any risks associated with the Direction would likely be reflected

in the Health & Social Care Risk Register which was much more closely linked with operational risks.

Ms Ireland added that the Committee had previously discussed the relationship between the IJB Risk Register – which reflected strategic risks - and the Health & Social Care Risk Register, and the importance of identifying when an operational risk may impact on the IJB's ability to deliver its strategic priorities. If the risk associated with a Direction did not impact on strategic priorities then it would not be included in the IJB Risk Register.

Ms Flanagan said that before issuing any Direction there would be dialogue with the Partners and this would include discussion of any associated risks.

Decision

The Committee agreed:

- (i) to note the current risk register; and
- (ii) that no further risks should be added to the register.

4. EAST LOTHIAN IJB ANNUAL AUDIT PLAN 2019/20

The East Lothian Integration Joint Board annual audit plan for 2019/20 was submitted by Audit Scotland.

Ms Woolman presented the report outlining the proposed scope and timing of the audit work to be carried out for the financial year 2019/20. She highlighted the key audit risks which had been identified following discussions with staff, attendance at meetings and review of supporting information and detailed the reporting arrangements and timetable. She indicated that these matters, along with the review of the annual accounts and consideration of key audit dimensions of financial sustainability, financial management, value for money and governance and transparency, would form the basis of the audit work. Ms Woolman concluded by drawing attention to the terms of appointment and audit standards which would ensure the independence and objectivity of the external audit role.

The Chair thanked Ms Woolman for her comprehensive summary of the plan.

Ms Flanagan said she had worked closely with the auditors in building the plan.

Decision

The Committee agreed to note the contents of the annual audit plan.

5. INTEGRATION AUTHORITIES FINANCIAL PERFORMANCE FOR 2019/20 AFTER QUARTER 1

A report was submitted by the Chief Finance Officer summarising the quarterly report from the CIPFA IJB CFO Section on Financial Performance for all Integration Authorities (IAs) for financial year 2019-20 after Quarter 1.

Ms Flanagan presented the report advising that this was the first summary which presented an overview of financial performance for all 31 IAs for 2019-20. She highlighted some of the key figures including the total budget for health and social care services in 2019-20, the total reserves held by IAs, projected year end overspends and

some of the factors contributing to the forecasted positions. She also compared East Lothian's position with that of other IAs. Ms Flanagan offered to present subsequent CIPFA IJB CFO Section reports on a quarterly basis if the members felt that the information would be helpful.

The Chair said it was useful to see where East Lothian sat in relation to other IJBs. She also asked about the current position of the prescribing budget.

Ms Flanagan explained that while the budget was currently underspent the year-end forecast suggested a potential overspend of c. £200,000. The position would continue to be monitored closely.

Ms MacDonald added that this was an incredibly volatile market over which the IJB had little control.

Decision

The Committee agreed to note the key messages contained within the report.

6. SCOTTISH GOVERNMENT: WHEN IS HOSPITAL BAD FOR YOUR HEALTH?

A report was submitted by the Chief Finance Officer bring to the attention of the Committee the recent Scottish Government Health and Sport Committee publication of its findings on budget, outcomes and progress within the integration of health and social care.

Ms Flanagan presented the report outlining some of the key messages including that prolonged stays in hospital could have a detrimental effect on the health and wellbeing of patients and that an increased focus on 'front door' services was required to reduce unscheduled care and address patient needs in other areas of the NHS. She pointed to the links with the IJB risk register and NHS Lothian's current position. She indicated that in future there would be a need for greater focus on community services with the Scottish Government setting an ambitious target for all IJBs to achieve a 50/50 funding split between hospital and community services.

The Chair asked about the new East Lothian Community Hospital and was advised by Ms Flanagan that this was classed as a community spend.

Ms Ireland noted that the report did not present a very positive picture overall but that East Lothian had been more successful in shifting the balance of care, as was demonstrated through its achievements in reducing delayed discharges.

Ms MacDonald stated that East Lothian was within the top five in terms of reducing delayed discharges and this gave it a positive foundation for further work in shifting the balance of care.

The Chair referred to the importance of communicating with the public to change their perceptions of the role of acute services in the treatment of minor ailments.

Mr Ireland informed members of a pilot project taking place in the west of Edinburgh based at the Western General Minor Injuries Clinic. It involved people phoning in for a consultation with an advanced nurse practitioner and using their camera phones to assist diagnosis. Patients who required to be seen in hospital could then attend with a planned appointment.

Ms MacDonald advised that this was an important issue for the recovery boards. While the new hospital in East Lothian could not support an accident & emergency department it could provide a minor injuries service with support from GP practices and the unit in North Berwick. She acknowledged that this was an area where further collaboration and development was required.

Decision

The Committee agreed to:

- i. Note the publication; and
- ii. Note the key messages as a result of this report.

7. AUDIT SCOTLAND REPORT ON NHS SCOTLAND IN 2019

A report was submitted by the Chief Finance Officer summarising how the NHS in Scotland was performing and what was required to achieve a sustainable NHS.

Ms Flanagan highlighted some of the key messages contained in the report published by Audit Scotland in October 2018. These included the pressures facing the NHS from an ageing population, achievement of key waiting time targets; the requirement for large scale reform to become less reliant on hospital-based care and the need for financial sustainability. She advised that a similar report had recently been produced looking at the challenges facing local authorities and she would bring this to the next Committee meeting.

The Chair commented on the importance of effective administrative procedures and cited by example a recent experience at the eye hospital.

Ms MacDonald stated that records and administrative processes at the new community hospital were fully electronic which helped to improve the patient experience. However, she acknowledged the challenges of digitising old paper records.

Ms Ireland raised the issue of financial sustainability and asked if IJBs in Scotland were likely to gain from the recent legislative change to health and social care in England and Wales.

Ms Flanagan said that at present it was difficult to know given the uncertainty over budgets at Scottish and UK government levels.

Decision

The Committee agreed to note the key messages contained in the Audit Scotland report.

Signed

Councillor Susan Kempson
Chair of the East Lothian IJB Audit and Risk Committee