

East Lothian  
Integration Joint Board



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

**TUESDAY 10 MARCH 2020  
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

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**Members Present:**

Councillor S Kempson (Chair)  
Mr D Binnie  
Mr A Joyce

**Officers Present:**

Ms C Flanagan  
Ms A MacDonald  
Mr D Stainbank

**Others Present:**

Ms E Scoburgh, Audit Scotland

**Clerk:**

Ms F Currie

**Apologies:**

Ms F Ireland  
Councillor F O'Donnell

**Declarations of Interest:**

None

## **1. MINUTES OF THE IJB AUDIT AND RISK COMMITTEE MEETING OF 22 JANUARY 2020**

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 22<sup>nd</sup> January 2020 were approved.

## **2. MATTERS ARISING FROM THE MINUTES OF 22 JANUARY**

There were no matters arising.

## **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:

- 3924 – a new action had been added relating to dialogue with the partners on budget offers for 2020/21. Current 'assumptions and principles' were being shared by both partners' for 2020/21 and this action would be closed once budget offers had been finalised.
- 4947 – this related to NHS Lothian's escalation measures and reflected the collaborative approach being taken by all 4 Lothian IJBs; the structure of groups, sub groups and working groups put in place; and the role of officers in this work.
- 3925 and 3926 – the reduced risk rating for each continued to be maintained.

Ms Flanagan advised members that this update referred to the period October – December 2019 and that the next update would reflect the challenges posed by COVID-19.

Alex Joyce agreed that including COVID-19 would be essential and reported that NHS Lothian had already added it to their risk register.

Both the Chair and Alison MacDonald concurred. Ms MacDonald added that any risk which may affect the IJB's ability to deliver the strategic plan should be included in the register.

In response to a question from David Binnie, Ms MacDonald explained that control measures would be identified through the partners' Business Continuity Plans and that the Health & Social Care Partnership was engaging with the partners to ensure that their plans were as up to date as possible. She also reported that consideration was being given to utilising bed capacity at the community hospital, to working with the third sector to identify the most vulnerable in the county with particular reference to homecare clients, and to ensure that the most at risk continued to have access to appropriate support.

In response to further questions, Ms MacDonald advised that a great deal of planning work was already underway around COVID-19 and further discussions would be required to consider all community assets and agree how and where best to look after people depending on the severity of their symptoms.

The Chair thanked Ms Flanagan and Ms MacDonald for their updates and acknowledged that there remained a lot of unknowns. She then invited members to agree the recommendations in the report and the inclusion of a new COVID-19 risk in the register.

### **Decision**

The Committee agreed:

- (i) to note the current risk register; and
- (ii) that a new risk be added to the register in relation to COVID-19.

## **4. INTERNAL AUDIT PLAN 2020/21**

The Service Manager – Internal Audit submitted a report informing the Committee of Internal Audit's operational plan for 2020/21.

Duncan Stainbank presented the report outlining the background and the range of factors taken into account when preparing the plan. He advised that the Council's Internal Audit Team would continue to work closely with the Internal Audit Team within NHS Lothian and that all reports would be reviewed by the Chief Officer and Chief Finance Officer and presented to the Audit & Risk Committee. He then summarised the scope of the audit set out in the plan for 2020/21.

Mr Stainbank also raised the issue of agreeing procedures for sharing of information between the NHS Lothian Audit & Risk Committee and the IJB Audit & Risk Committee. He indicated that previous work on this matter had been delayed. A draft protocol was with the NHS Lothian Internal Audit team for consideration and may require assistance from Chairs of the NHS Lothian and IJB Audit Committees to finalise. .

Ms Flanagan agreed that a protocol would be useful as it would also support improvement work on sharing of information with partners around key audit risks.

Mr Stainbank responded to a number of questions. He provided further detail on the scope of the proposed audit on the community hospital re-provision of services; he explained the reasoning behind the assessed risk level of 'high' assigned to the proposed audit on risk management and what was meant by reporting at an 'appropriate level'.

Mr Binnie commented that the proposal for an audit of risk management arrangements was very reassuring.

### **Decision**

The Committee approved the audit plan for 2020/21.

## **5. INTERNAL AUDIT REPORT – DIRECTIONS SETTING**

The Service Manager – Internal Audit submitted a report informing the Committee of the recently issued audit report on Directions Setting.

Mr Stainbank presented the report. He advised that this audit was part of the 2019/20 audit plan and that the main objective was to review the adequacy and effectiveness of the arrangements for Direction-setting operating within the IJB. The conclusion of the

audit was 'reasonable assurance'; noting that the system of Direction-setting in place was in accordance with good practice guidance issued by the Scottish Government and other sources. He summarised the key findings of the report and drew members' attention to the recommendations for improvements, all of which had been agreed by Management.

In response to questions from the Chair, Mr Stainbank confirmed that a Direction was planned to be approved through the IJB in April for Adult Protection and domestic abuse services; he explained the methodology behind the sample size chosen for this audit; and he advised that the sample included coverage of existing, new and revised Directions.

The Chair thanked Mr Stainbank for a very helpful report.

## **Decision**

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

## **6. INTEGRATION AUTHORITIES' FINANCIAL PERFORMANCE FOR 2019-20 AFTER QUARTER 2**

A report was submitted by the Chief Finance Officer summarising the quarterly publication from the CIPFA IJB CFO Section on the Financial Performance for all Integration Authorities (IAs) for financial year 2019-20 after Quarter 2.

Ms Flanagan presented the report advising that it was part of a series of summary reports which were published quarterly on the Scottish Government's website. The report presented the Quarter 2 position for all 31 IAs and the impact on funding and reserves positions 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 figures and some of the factors contributing to the forecasted positions. She also compared East Lothian's position with that of other IAs. Ms Flanagan reminded members that the positions quoted did not take into account any additional support from IJB partners, recovery plans or use of reserves. She added that increases in the cost of services and in the demand for services, staffing problems and pressures on prescribing budgets would mean that IJBs would continue to find it difficult to deliver savings.

In response to questions from the Chair, Ms MacDonald said that challenges in recruitment of staff varied between disciplines and were dependent on a variety of factors. At present, recruitment of general medical staff was going well but there were challenges in attracting enough psychiatrists and GPs.

Mr Binnie asked about the likelihood of additional Scottish Government money the address the gap in funding and support IAs across the country. Ms Flanagan said she was not aware of any plans for additional funding from the centre. She said that where an IJB was having difficulty in balancing its budget it must first turn to its partners and the arrangements set out in its Integration Scheme. In addition, NHS Health Boards could offer a type of loan known as 'brokerage' but these arrangements would vary from area to area.

Mr Binnie also asked about the likelihood of the East Lothian IJB having to access its reserves to cope with pressures associated with COVID-19.

Ms Flanagan said that this would have to be discussed with the partners and it would be dependent on whether central funding was made available from the Scottish

Government. She stated that the IJB's reserves were still below the recommended level and as Chief Finance Officer she would be looking to what might be available at a national level before considering the use of reserves.

Ms MacDonald added that they may look to open additional beds in the community hospital and they would expect this to be supported by national funding, in a similar way to the arrangements for managing winter pressures.

The Chair observed that in the current financial year the IJB was in a far more favourable position than many others.

Ms Flanagan agreed but said that this was very much a short term position and that there would be significant challenges ahead. Ms MacDonald also pointed to the coming financial year as containing some significant challenges which the IJB would have to consider how best to address.

### **Decision**

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

## **7. AUDIT SCOTLAND REPORT ON LOCAL GOVERNMENT IN SCOTLAND FINANCIAL OVERVIEW 2018-29**

A report was submitted by the Chief Finance Officer providing the Committee with a summary of the findings and key messages contained in the Accounts Commission report, 'Local Government in Scotland: Financial Overview 2018-19', as they relate to the East Lothian Integration Joint Board.

Ms Flanagan presented the report stating that this followed the presentation at the Committee's last meeting of the Account's Commission's review of the NHS. She highlighted some of the key messages within the Local Government review report, with particular reference to the section on IJBs. She drew attention to the commentary around the pace of health and social care integration, the limited evidence to demonstrate a shift in the balance of care, staff changes, financial pressures and the timing for agreeing budgets.

The Chair commented that it was difficult to plan for the long-term with so many unknowns and she agreed that the use of reserves would not be sustainable. She felt that the IJB was close to the point where it could no longer continue to deliver the same level of services without additional resources, particularly if the pace of integration was to increase. She also expressed concern about the impact this would have on the most vulnerable in the county.

Replying to a question from Mr Binnie, Esther Scoburgh advised that the Commission had looked at the issue of Best Value more generally as part of its review whereas the annual external audit work would focus specifically on how the IJB could report Best Value. She also referred to work being undertaken by the Government to encourage IJBs to include Best Value considerations as part of their objective-setting processes.

Ms MacDonald observed that this was helpful discipline to have in place and that it would be increasingly important for partners to take an outcome focussed approach when commissioning services and thereby demonstrate more easily where Best Value was being achieved.

### **Decision**

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

Signed .....

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